

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, NOVEMBER 13, 1930



The rear wall of this building was broken by doors and windows of ordinary construction. On advice of the WHITE FIREMAN\*, six windows were bricked up, and the other openings equipped with metal-clad shutters. Soon after, an old frame building across the back alley was the scene of an intensely hot fire, which would surely have communicated itself to the contents of the brick building had it not been for the intervening fire wall.

\* The White Fireman symbolizes the Insurance Company that insures against fire. It is the company that insures against fire, and it is the company that insures against fire.

WHITE FIREMAN Service may be secured through responsible insurance agents or brokers. Ask your North America Agent. He is listed in Bell Classified Telephone Directories under the heading—Insurance Company of North America



The Insurance Company of North America

PHILADELPHIA

The Old American Fire and Marine Insurance Company—Founded 1793

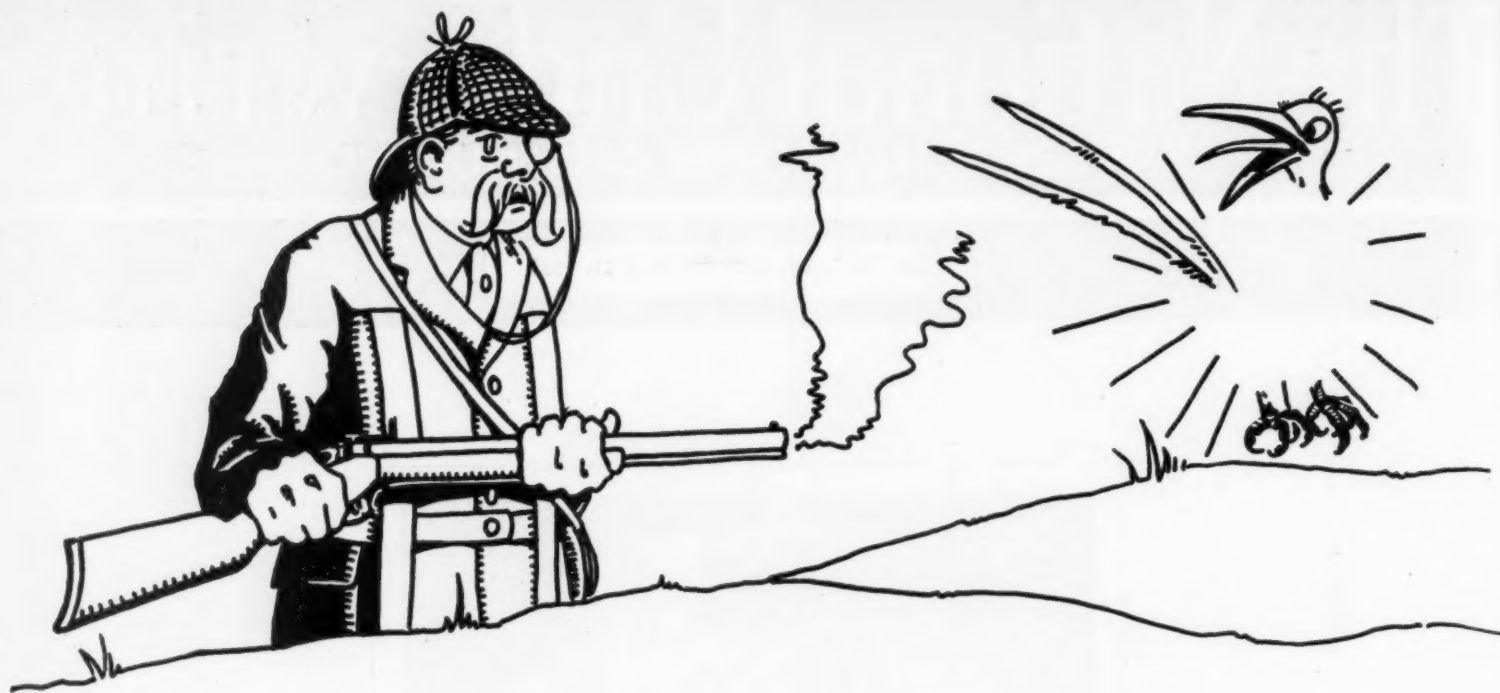
and its subsidiary companies:

ALLIANCE CASUALTY COMPANY  
THE ALLIANCE INSURANCE CO. OF PHILA.  
CENTRAL FIRE INSURANCE COMPANY  
SECURITY INS. CO. OF NORTH AMERICA  
NATIONAL SECURITY FIRE INS. CO.  
PHILADELPHIA FIRE & MARINE INS. CO.  
write practically every form of insurance except life

Exposure or communicated fires cause the careful to suffer for the sins of the careless. A valuable weapon of defense against this peril is the fire wall.

Walls with openings adjacent to fire traps can, in most cases, be transformed into fire walls by the simple procedure outlined above.

*The reproduction shows, in reduced size, a color page advertisement appearing in The Saturday Evening Post, Nov. 29; Literary Digest, Nov. 29; The Business Week, Nov. 26; Time, Nov. 24.*



## YOU WOULDN'T SHOOT PHEASANT WITH AN ELEPHANT GUN!

*The* misguided hunter above is trying it. The result is lots of noise but no game. Alas, too many insurance agents are using the wrong arm and ammunition when out hunting for new business. Sales arms and ammunition exactly suited to the agent's need are prepared by the publicity department of the Aetna Fire Group. Whether it be a year's advertising campaign for a daily newspaper, or a single return post card, the agent's needs are carefully studied, and the publicity is prepared with those requirements in view. Naturally such advertising is more effective than the same material, sent hit-or-miss, to everyone.



**THE AETNA FIRE GROUP**

**AETNA INSURANCE COMPANY  
THE WORLD FIRE & MARINE INSURANCE CO.  
THE CENTURY INDEMNITY COMPANY  
HARTFORD, CONNECTICUT**

**PIEDMONT FIRE INSURANCE CO., CHARLOTTE, N.C.**

THE NATIONAL UNDERWRITER. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-fourth year. No. 46. Thursday, November 13, 1930. \$4.00 a year, 20 cents per copy. Entered as second-class matter April 28, 1928, at postoffice at Chicago, Illinois, under act of March 3, 1879.

# More Protection for More Merchants —a timely selling tip



To a good location, efficient merchandising and intelligent salesmanship, every merchant should add *proper protection*.





That means at least twenty-five different insurance coverages: for how can a merchant expect to avoid loss if he insures only against fire—and leaves himself unprotected against money loss due to the dishonesty of some trusted employee; or if he carries plate glass insurance and burglars rob his safe?

The merchant in your town needs proper protection—which means *full protection*. Now, when he is enlarging his stocks in anticipation of holiday business is the time to tell him and to sell him.

*Fire . . . Windstorm . . . Plate Glass . . . Aircraft Property Damage . . . Sprinkler Leakage . . . Parcel Post . . . Safe Burglary . . . Elevator Liability . . . Automobile (Collision, Property Damage, Liability, Non-Ownership Liability, Fire, Theft, Windstorm, Plate Glass), O. L. & T. Public Liability . . . Use and Occupancy . . . Rental Value . . . Registered Mail . . . Riot and Civil Commotion . . . Hold Up . . . Workmen's Compensation . . . Fidelity Bonds . . . Trip Transit.*

## The Glens Falls Group Writes Them All

REMEMBER THIS: Your client is not properly insured unless he is fully insured.

 <b>Glens Falls</b> INSURANCE COMPANY Glens Falls, New York	 <b>COMMERCE</b> INSURANCE COMPANY Glens Falls, New York	 <b>COMMERCE</b> CASUALTY COMPANY Glens Falls, New York	 <b>Glens Falls</b> INDEMNITY COMPANY Glens Falls, New York
CHICAGO BRANCH OFFICE 175 West Jackson Boulevard	NEW YORK BRANCH OFFICE 84 William Street	SAN FRANCISCO BRANCH OFFICE 354 Pine Street	



A company for progressive agents who—in themselves good producers—realize that their own efforts may be multiplied many fold by the use of modern sales equipment and other facilities which aid in the development of business.

## HARTFORD ACCIDENT AND INDEMNITY CO.

HARTFORD

CONNECTICUT





# The National Underwriter

Thirty-Fourth Year No. 46

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 13, 1930

\$4.00 Per Year, 20 Cents a Copy

## Chrysler Line Goes to Mutuals

Much Propaganda Is Now Being Employed by the Carriers

### STOCK PEOPLE AROUSED

Declare That Attempt Is Being Made to Upset Other Prominent Automobile Manufacturers

DETROIT, Nov. 12.—All the fire insurance carried by the stock companies on the main plant of the Chrysler Corporation in Detroit has been cancelled and placed with the Associated Factory Mutuals of New England. This is a gigantic line totaling \$125,000,000. The business for years has been carried by the stock companies and placed through the regular agency channels. The stock companies offered an attractive and equitable basis of cost figured by their experts for the retention of the line, but the business went to the mutuals on a form that is understood to be more liberal than the stock companies would write at the price charged.

#### Information Is Broadcasted

Stock companies are accustomed to losing business to the mutuals and similarly they acquire lines that have been previously written by the mutuals, but the feature of this case to which stock company executives object is the fact that the mutuals which captured the line are said to be broadcasting the information to other important prospective assureds, chiefly automobile manufacturers, and pointing to the fact that the Chrysler Corporation has gone to the mutuals. Companies interested in the Chrysler line say that the Chrysler Corporation name is being used in such a widespread manner by mutuals in attempting to attract other lines that in the opinion of their officers it seems impossible that the Chrysler folks can be unaware of what is going on. An underwriting official here said:

#### Call Practice Unfair

"The Chrysler Corporation has a right to place its insurance wherever it wants and with whatever companies it may elect, but we do not think that it is fair to stock companies which have carried its insurance in the past for it to permit the mutual companies which have captured this line to be writing to other automobile manufacturers and in their letters pointing out that the Chrysler Motor Company has placed its insurance with them. Such letters imply plainly that the Chrysler Corporation puts its stamp of approval on mutual fire insurance as against stock fire insurance.

#### In Business for Profit

"The Chrysler Corporation is an enormous concern. It is in business for profit on invested capital. Its name car-

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## Cravens, Dargan & Co. to Operate on Pacific Coast

RORICK CRAVENS IN CHARGE

Well Known Houston Firm Purchases the General Agency Business of Marsh & McLennan

HOUSTON, TEX., Nov. 12.—A territory of eight additional states, and the supervision of 1,200 local agents, with a business of \$1,000,000 in premiums a year, have been acquired by Cravens, Dargan & Co., insurance managers of Houston, Tex., through the purchase of the Pacific Coast general agency business of Marsh & McLennan. Arizona, California, Idaho, Montana, Nevada, Oregon, Utah, and Washington are the states included in the transfer which also includes British Columbia and Alaska. The companies now managed by Cravens, Dargan & Co. for the coast include: the British America, Citizens Safeguard, Standard Fire of Hartford, Standard Marine of Liverpool, Victory, and Allied Underwriters Agency of the Union of Canton. Marsh & McLennan, will continue in the insurance brokerage business, having sold the general agency only.

#### Rorick Cravens to Head Agency

Rorick Cravens, a member of Cravens, Dargan & Co., and son of James Cravens, head of the general agency, will have personal supervision of the Pacific Coast business with headquarters in San Francisco. He began in the Houston office of Cravens, Dargan & Co. as an employee about seven years ago, after completing his education at Sewanee University, Dartmouth College, University of Lausanne, Switzerland, and Princeton. He was the youngest graduate of Princeton, and is the youngest bank director in Houston. He announces that no changes are contemplated in the office or field personnel of the newly acquired general agency.

#### Malcolm Cravens Enters Firm

The admittance of Malcolm Cravens, younger son of James Cravens, as a partner in Cravens, Dargan & Co. is also announced at this time. He left Princeton University last spring, having previously attended both Hotchkiss and the University of California.

In Texas Cravens, Dargan & Co. now manage the business of 12 fire companies, three casualty companies, and two life companies. The general agency has always been among the first to make available to its agents the new forms of insurance brought into being by new inventions and new hazards. Founded 28 years ago, it successfully pioneered farm insurance, hail insurance on growing crops, automobile insurance, rain insurance and aviation insurance.

#### Started as Fire Agency

It began strictly as a fire agency but added a casualty department and a life department. In order to educate its agents in the various forms of insurance it periodically holds schools, which are well attended even though local agents are required to pay their own expenses to attend.

The firm has a special department

## Underwriters Adjusting to Serve Stock Carriers Only

JANUARY 1 IS THE DEADLINE

Decision Follows Action of Western Adjustment Banning Mutual and Reciprocal Representation

Directors of the Underwriters Adjusting have voted to discontinue service to mutuals and reciprocals after Jan. 1. This action followed within a week of the announcement of the Western Adjustment of the Jan. 1 deadline in that organization for representation of mutuals and reciprocals.

#### Given Wide Backing

Unlike the Western Adjustment, the Underwriters Adjusting has not requested companies and agents to refrain from referring adjustments to independent adjusters who represent mutuals or reciprocals. The Western Adjustment acted after obtaining adoption of a resolution in 13 states in its jurisdiction that agents should not patronize adjusters who have mutual or reciprocal accounts.

Under the new arrangements of both the Western Adjustment and the Underwriters Adjusting mutuals operating on a stock plan will be eligible to services of both organizations. The Underwriters Adjusting has adopted a rule that companies of this kind are eligible to services in losses on risks carried on the stock plan but not on risks carried on the mutual plan.

#### Mutual Bureau Planned

The Federation of Mutual Fire Insurance Companies is preparing to put into operation an independent nation-wide adjusting service of its own. A committee has been named to organize a mutual adjustment service.

There is much speculation as to whether the mutual bureau will be a well established and coordinated organization under the control of mutuals or whether it will be something of a federation of independent adjusters.

The Western Adjustment, the Underwriters Adjusting and the mutuals are all desirous of avoiding competition in adjustments under the new arrangement.

for furnishing to its agents motivating cartoons, powerful arguments, and indisputable facts to be used in explaining mutuals and reciprocals to property owners and policyholders. This department will make a special analysis and report on an individual case of competition between stock insurance and mutual or reciprocal insurance.

#### Strictly General Agents

Cravens, Dargan & Co. were strictly general agents. They have never engaged in the local business anywhere in the state, and do not even handle business direct in Houston. The Pacific Coast office will be conducted on the same general agency lines, according to the members of the firm.

E. C. F. Knowles, executive vice-president of the Marsh & McLennan-J. F. B. Davis Company organization on the coast, will now devote his entire time to his firm's brokerage business.

## Elections Cause Radical Changes

Many Insurance Commissioners Lose Chances for Reappointment with Upset

### COMPENSATING FEATURES

Dawn of New Day in Insurance Supervision Is Seen in Some Sections of Country

General elections changed the complexion of affairs from an insurance viewpoint in many sections. There is a strong possibility that some of the most efficient and admired commissioners will lose out on reappointment due to political changes and matters of expediency which demand taking care of campaign supporters.

With election of Dan Turner to succeed John Hammill as Iowa's governor, it is expected that Commissioner Ray Yenter, whose term expires July 1, 1931, will be displaced. It is rumored that he is to become counsel for the Central Life of Des Moines. Only one candidate for commissioner is actively seeking appointment, E. E. Crane of Woodbine, prominent insurance agent in western Iowa. He has the backing of field men, and also, it is said, of some prominent politicians.

#### No Change in Georgia

W. B. Harrison was reelected comptroller general of Georgia and will administer the insurance department. There is a remote possibility that the legality of his election may be contested, as those who opposed him in the state primary allege that the state Democratic committee erred in declaring him the regular party nominee. He was tied with H. P. Parker in the primary in number of county or unit votes.

When George White takes office as governor of Ohio in January he will be called on to appoint a new insurance superintendent, deputy superintendent and state fire marshal. No names have been suggested openly. It is understood that it is the purpose of the new administration to appoint the highest type of men possible, that the work of the two departments may be carried on on the high plane set by Superintendent C. S. Younger and Deputy Earl Stewart.

#### Expect Wisconsin Reorganization

Reorganization of state departments in Wisconsin will be quite general, reports from Madison indicate, following election of Philip F. La Follette as governor. It is reported that he will not reappoint some 15 officials whose terms expire in the first six months of his administration. Among these is Commissioner Freedy.

No changes are contemplated in the office of the California insurance commissioner as a result of the defeat of Gov. C. C. Young and election of James

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## North Carolina Session Success

Nearly 600 Attend First Insurance Days Gathering in Greensboro

### CROSS NAMED PRESIDENT

Group Sessions Held With Notable Speakers—Charlotte Chosen for Scene of 1931 Confab

GREENSBORO, N. C., Nov. 12.—The first North Carolina Insurance Days program here last week sponsored by the Insurance Federation of North Carolina proved an unqualified success with nearly 600 present.

At the federation's business session at the close of the two-day program, P. R. Cross, Raleigh, was elevated from secretary to the presidency to succeed W. M. Merrimon, Greensboro, who in turn was made chairman of the executive board to succeed W. D. Wilkinson, Charlotte. W. H. Andrews, Jr., Greensboro; M. V. Whitesides, Gastonia; Thomas Tate, Asheville, and Felix Harvey, Jr., Winston, were chosen vice-presidents; James Doyle, Charlotte, was elected secretary and Walter Lambeth, Charlotte, as treasurer. The reports of the officers reflected a good year and lotte was chosen for the 1931 insurance days meeting and definite assurance was had that the event will be a regular annual feature.

#### Merrimon President

A "get-together" entertainment was held Thursday evening in a local theater with a variety of attractions, chief of which was the presentation by the Pilot Life Players of a drama "What Price Policy Loans?" written by L. L. McAlister.

The formal meeting opened Friday morning with W. M. Merrimon presiding. After the mayor's address of welcome and the response by W. H. Trentman, Charlotte, Mr. Merrimon presented Paul W. Schenck, Greensboro, as general chairman of the program. Mr. Schenck briefly spoke of the spread of the insurance day plan through the United States and outlined the North Carolina program.

The banquet Friday evening was notable for entertainment features and for the address of Chester Leasure of the United States Chamber of Commerce. Golf tournaments were held, with the fire and casualty men competing on Friday and the life insurance men on Saturday afternoon.

#### Quaid and Fleming Talk

At the fire and casualty group sessions the following spoke: William Quaid, president Southern Fire; T. A. Fleming, National Board, and C. A. McKeel, secretary Greensboro Insurance Exchange, F. L. Fry, Greensboro, was chairman.

Saturday morning the fire and casualty group was addressed by L. K. Babcock, secretary of the Aetna Casualty, and by F. Robertson Jones, manager Association of Casualty & Surety Executives.

Saturday afternoon a demonstration in fire prevention was given by the Greensboro fire department, and a demonstration in firemanship by the Greensboro council of boy scouts.

#### Quaid Gives Specifications

Mr. Quaid spoke on "Insurance as a Commodity." "It is only by accepting insurance as a commodity," he said, "that a thorough understanding of the business can be had from either the

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## President



CLARK J. MUNN

Clark J. Munn of Chicago, manager of the Cook County Loss Adjustment Bureau, was elected president of the Life Members Society of the Fire Underwriters Association of the Northwest at its meeting last week. Mr. Munn is a son of the late Eugene V. Munn, who for many years was secretary of the Northwest association.

### Florists Favor Mutual Cover

MILWAUKEE, Nov. 12.—Wisconsin and Michigan florists need to be sold on stock insurance protection. At their two-day convention in Milwaukee J. H. Dale of Hancock, Mich., recommended mutual insurance for the members of the Wisconsin-Upper Michigan Florists Association. The matter will be referred to the board of directors, which meets in Milwaukee in February.

The Minnesota Insurance Agency of Duluth has been incorporated with \$50,000 capital.

## CONDENSED NEWS OF WEEK

Stock insurance interests are much aroused over the Chrysler line going to the mutuals. **Page 3**

General elections change complexion of affairs in many sections from insurance viewpoint; many commissioners appear out. **Page 3**

Indiana Association of Insurance Agents holds annual meeting at South Bend. **Page 5**

Company executives in east are much relieved with capping of Stout No. 1 well at Oklahoma City. **Page 5**

Underwriters Adjusting Company declines to serve stock companies only. **Page 3**

Few changes contemplated in hall insurance underwriting as result of advisory committee meeting of Western Hall Association. **Page 6**

Society of Life Members of the Fire Underwriters Association of the Northwest meets in Chicago. **Page 8**

Commissioners Wysong of Indiana and Livingston of Michigan speak at Indiana agents' meeting. **Page 6**

Clyde B. Smith reviews situation in agents' work, makes recommendations at South Bend meeting of Indiana agents. **Page 4**

First North Carolina Insurance Days held. **Page 4**

President Jenkins of Indiana association urges liberalization of policies rather than rate reduction. **Page 6**

Recommendations for improvement of state association service made by Alexis Coquillard at Indiana agents' meeting. **Page 10**

## Smith Reviews Situation for Indiana Association

HAS SOME RECOMMENDATIONS

Active National Association Worker and Past President Gives Inspiration at South Bend

Highlights of the work and policies of the National Association of Insurance Agents were given by Clyde B. Smith of Lansing, past president, in his talk at the South Bend meeting of the Indiana Association of Insurance Agents.

Mr. Smith touched on many of the issues before agents today. He said that Arkansas has worked out the best method for abolishing overhead writing. The Arkansas Association of Insurance Agents has amended its constitution, he reported, so that no member may write a policy in a town outside of his own where there is an agent who is a member of the association.

### Commends Midwest Committee

The work of the midwest conference committee of the National association has been splendid, according to Mr. Smith. There is a feeling of confidence among managers in the agents composing this committee. He commended Mr. Jenkins for his work in behalf of liberalization of policies.

Mr. Smith declared it is a disgrace for states to stint their appropriations to insurance departments when they collect so many millions from companies in clients that no small part of the insurance charge goes for taxes.

### Asks for Resolution

Mr. Smith asked the Indiana association to adopt a resolution requesting companies not to take any action on putting in force a graduated scale of commissions for compensation insurance until organized agents have approved the plan. This was done.

Mr. Smith reiterated his stand that claim reserves for automobile liability

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## New Hampshire Men Elect Gile

Unanimously Condemn Consolidation of Banking and Insurance Departments

### COLE REVIEWS PROBLEMS

Commissioner Sullivan Defends Tax—Makes Plea for Company-Agent Cooperation—President Trask Reports

### NEW OFFICERS ELECTED

President—A. B. Gile, Hanover, N. H. Vice-Presidents—F. M. Sils, Portsmouth; F. B. Edgerly, Manchester, and H. Duncan, East Jeffery. Secretary—Treasurer—J. F. DeMeritt, Exeter. National Councillor—C. W. Varney, Rochester. Executive Committee—G. F. T. Trask, Keene; C. I. Spaulding, Nashua; Von J. McPherson, Claremont; O. G. Cole, Plymouth; R. N. Davis, North Conway.

MANCHESTER, N. H., Nov. 12.—The New Hampshire Association of Insurance Agents, at its annual meeting here last week went on record, almost unanimously, as strongly opposed to any plan which called for the combining of the banking and insurance departments of the state.

At the same time the association expressed its sincere and whole hearted appreciation of the splendid services which former insurance commissioner, J. E. Sullivan, now bank commissioner, had rendered while commissioner for seven years.

A. B. Gile of Hanover was elected president which promises to augur well for the growth and activity of the state association during the coming year.

President George F. T. Trask of Keene reviewed the activities during the past year. Secretary-Treasurer J. F. DeMeritt of Exeter reported the treasury in good condition and a membership of 172, being a loss of six during the year.

### Farm Bureau Operations Discussed

Guests from other New England state associations were welcomed and included President R. K. Noble of Northampton, Secretary F. A. Norton of Salem, former presidents E. J. Cole of Fall River and F. R. Smith of Haverhill, of the Massachusetts association; former president J. W. Cook of Providence, of the Rhode Island association, and A. C. Mason, of Rutland, former president of the Vermont association.

Several agents from smaller towns in the state, notably H. D. Cheever of Wilton, A. C. Huntoon of Contoocook, A. W. Frost of Franklin and others brought up the operation of the Farm Bureau Mutual and stated it was writing clergymen, grocers, contractors and builders as well as farmers. Information was desired as to whether the organization, which was stated to be an assessment group, was extending its operations beyond its charter rights. A committee was named to inquire into the matter.

### Cole Reviews Year

E. J. Cole of Fall River, Mass., chairman of the finance committee of the National association, reviewed problems confronting agents. He declared 1930 had been a most eventful year. He discussed the commissioners' cost probe, the Interstate Underwriters Board, the separation issue and the formation of the new national council. He advocated more numerous and stronger local

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## Tedford Heads Indiana Agents

Session Featured by Presentation of All Issues of the Day

### ATTENDANCE GRATIFYING

Full Time Secretary Authorized as Intensive Membership Drive Is Launched at South Bend

#### NEW OFFICERS ELECTED

President—F. A. Tedford, La Fayette.  
Vice-President—J. A. Searles, Marion.  
Treasurer—J. Gilbert Martin, Scottsburg.  
Chairman Executive Committee—Alexis Coquillard, South Bend.

#### By LEVERING CARTWRIGHT

Speakers at the convention of the Indiana Association of Insurance Agents in South Bend ran the gamut of the issues in which organized agents the country over are interested today and brought out of the bag not a few bright, shiny new issues.

"Never," declared Clyde B. Smith, past president National Association of Insurance Agents, "have I sat through a meeting of agents where so many pertinent points were brought out."

There was a gratifying turnout of local agents considering that the scene was in the arctic regions of Indiana remote from southern and eastern points in the state. Moreover, there were present many fire and casualty executives and special agents.

#### Tedford Succeeds Jenkins

The new president is F. A. Tedford, of LaFayette, who has been groomed for the post by serving as chairman of the executive committee during the last year. He succeeds A. L. Jenkins, who relinquished the presidency after three terms.

Mr. Tedford is a young man whose insurance career started after the war. For two years he was Aetna state agent in Indiana and then with E. W. Hoover formed an insurance partnership under the title of the Mitchell agency.

Perhaps the outstanding achievement of the convention was the decision to employ a full time secretary especially to build up membership. In order to do this the association changed its constitution to make the treasurer an elective officer and the secretary an employee of the executive committee. Also to expedite recruiting Mr. Tedford announced that it is his desire that during the next year every member of the state association shall belong to some local board, thus permitting the state association to operate as a league of local units rather than a collection of individuals.

#### Generalities Were Avoided

All of the speakers avoided generalities. Their talks carried specific recommendations, criticisms and observations. Alexis Coquillard, the new executive chairman, probably has the record as to multiplicity of topics covered in one address. The story of his speech appears in another column, as well as that of W. L. Walls of Bedford and Mr. Jenkins.

W. P. Robertson, western manager Alliance, was roundly cheered when he made the prediction that before long every important change in rules by company underwriting organizations will be submitted to the National or state associations of agents before promulgation. Mr. Robertson was surprised and

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## Suggestions That Arose During Joint Conferences

Now that the Western Adjustment and the Underwriters Adjusting companies of Chicago, which have charge of adjustments in the central western states, have agreed to eliminate entirely loss service for mutuals and reciprocals, some facts in regard to the conferences leading up to this decision are of interest. The mid-west conference of the National Association of Insurance Agents included Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Colorado, Nebraska, Oklahoma, Ohio, South Dakota, Tennessee and Wisconsin. The other states did not have local agents' associations and hence were not represented on the committee.

#### Sub-Committee Was Named

The first meeting was held in February of this year when Earl E. Fisk of Green Bay, Wis., was chosen chairman; F. T. Priest, Wichita, secretary; and R. W. Troxell, Springfield, Ill., treasurer. The special committee appointed to deal with the governing committee of the Western Underwriters Association and other company organizations consisted of Mr. Fisk, P. W. Flicker of Cleveland, Mr. Troxell, T. S. Ridge of Kansas City, Mr. Priest and G. W. Carter of Detroit, who acted as spokesman. At the first conference six suggestions were made for cooperation.

#### Some Suggestions Made

In the first place, the committee suggested that companies and agents agree to discuss all changes, rules and regulations prior to making them public or filing them. Another suggestion was that the companies agree to hold conferences with the midwest conference committee on all matters affecting insurance in midwest territory. In the third place the agents suggested that stock companies discontinue adjustment service to mutuals and reciprocals. The companies then asked the agents if they

would agree not to refer any of their losses to adjusters representing mutuals and reciprocals. An agreed set of resolutions was drawn up for state associations to sign. The only state where the resolutions have not been passed is Ohio. The directors of the Western Adjustment and Underwriters Adjusting voted to put this action in effect Jan. 1

#### Non-Policy-Writing Agents

Another matter coming before the joint conference committee was non-policy-writing agents. There has been no agreement on this subject. President Street of the Western Underwriters Association at the Toronto meeting declared that he felt the two interests would eventually get on common ground. In this connection the agency conference committee feels that there should be properly conducted local boards in every town and where such be the case undoubtedly some agreement could be reached with the companies on this issue.

#### Broadening the Dwelling Policy

Another subject broached was the possibility of refining and broadening the dwelling house policy. The western conference committee did not agree with the four cover rider announced by the Eastern Underwriters Association. Chairman Fisk of the agency committee says that this subject as well as that of non-policy-writing agents will be taken up at a conference with the companies in the future.

The agency committee also suggested that the companies confine their advertising in the state in proportion to the amount of the income and that a speaker be assigned in each state to carry the message of stock insurance. In view of the present financial depression it is not felt desirable to press this point but eventually, it is believed, it will be worked out satisfactorily.

## Caldwell & Co., Investment House, in Hands of Bankers

Caldwell & Co., Nashville investment and banking house, has been placed in the hands of a committee of Nashville bankers. The committee has made the statement that it believes Caldwell & Co. to be solvent and that operation of the affairs will be worked out so that the interests of all involved will be conserved and protected. The Caldwell interests have large insurance stock holdings, although the exact status is uncertain. They control the Inter-Southern Life of Louisville, the Southeastern Life, the Shenandoah Life and the Home Fire, Home Life and Home Accident of Little Rock. The Caldwell company once had a substantial interest in the Missouri State Life, which controls the Southwestern Life of Dallas, but President Hillsman Taylor of the Missouri State Life reports that the Caldwell company holdings have been reduced to a minimum.

#### Local Agencies Burglarized

The recent burglary of two local agencies at Oelwein, Ia., indicates the length to which robbers are going these days. From the office of George R. Feltus \$15 was secured and from the B. L. Belt agency \$200 was gotten. In towns of this size agents are in the habit of closing their offices during the noon hour and go home to lunch. Evidently burglars watch during this closing time and make their entrance accordingly. It is said that this racket is being worked throughout Iowa rather assiduously at this time.

## Officials Feel Much Relieved

Capping of Oklahoma City's Wild Oil Well Eases Company Fears Over Situation

### CARRIERS PLAYING SAFE

Field Men and Engineers Now Comparatively Philosophical Over Unusual Situation

NEW YORK, Nov. 12.—Some company officials here were somewhat exercised when word arrived that one of the Oklahoma City wells of the Morgan Petroleum Company was running wild, for they could just visualize the destruction of a large part of the city with property loss of many millions if the flowing oil and gas became ignited. There was a hurried check-up of liability in the city, a close study of maps and many telegrams were sent Oklahoma City agents for particulars.

Heartfelt relief was expressed when news came that the well had been capped, and that all danger of fire, thanks to effective preventive measures adopted by city authorities, was at an end. Some of the foremost companies have had their engineers in the Oklahoma City territory to get their ideas as to the conflagration hazard.

Executives and former field men familiar with the general layout of Oklahoma City, while naturally interested in reports concerning the eruption of the Stout well, were not especially alarmed, arguing that its location near the river and some distance from the high value properties of the city, would reduce the danger.

One prominent company group concluded that it was better to be on the safe side, and wired its Oklahoma City representatives not to bind any additional lines, though sanctioning continuance of those already on the books.

#### MARSHAL GIVEN AUTHORITY

OKLAHOMA CITY, Nov. 12.—Acting on an opinion by the attorney general giving him authority to remove fire hazard from oil drilling here, Fire Marshal O'Neal has ordered investigation of wells near the Wheeler school and along the northern edge of the field in the region of the No. 1 Stout well that ran wild last week. The opinion is that the marshal, if he finds a drilling rig, storage tank, fuel tanks, boilers or other structures around an oil well that are for any cause especially liable to fire and so situated as to endanger a school building, should order their removal. One well is drilling within 40 feet of the Wheeler school and two others are operating within 200 feet. A storage tank would probably be placed within 20 feet of the school if a producer should be found. The building has been closed since early in the semester and the 350 students sent to other schools.

Several state officials interpret the ruling to give the marshal authority to prevent dangerous drilling.

Marshal Neal has notified the board of education that he will immediately take steps to reopen the Wheeler school and will start action designed to leave higher courts to decide how extensive are his powers. Drilling operators declare they will take the matter to the higher courts. The fire marshal announced that he will call a conference of experts at once to determine the hazard. The case is of great importance because it involves property rights and the state's police power to prevent hazard to school property.

## London Assurance Buying Guildhall Capital Stock

The London Assurance is acquiring capital stock of the Guildhall Insurance Company of London which, however, will retain its identity and carry its business separately as in the past. Sir Edward Iliffe, chairman of the Guildhall, is to join directors of the London Assurance. The Guildhall was organized in 1919 as the Autocar Fire & Accident, its name being changed last year. It has paid up capital of £125,001 and 1929 premium income was more than £800,000, of which over half was fire and the remainder largely personal accident and miscellaneous. The managing director is Arthur E. Morgan, who has made a creditable record in serving the company and who is considered to be an outstanding acquisition by the London Assurance.

#### C. A. Ludlum to Speak

C. A. Ludlum, former vice-president of the Home, and now a director of the United States Chamber of Commerce, will talk on taxation of insurance companies at the Pennsylvania Insurance Federation meeting in Philadelphia, Nov. 19.

#### Cooper Local Secretary

H. C. Cooper has been appointed local secretary of the Northern Assurance of London, having charge of the New York City metropolitan territory. He has been connected with the department for nearly 20 years and has been at the local counter for the last 10 years.



## Liberalization of Cover Urged

President Jenkins of Indiana Association Scores Rate Reduction Trend

### SELL MORE AT OLD SUM

Says Mid-West Conference Group Would Have Saved Day if Organized Earlier

Liberalization of policies instead of rate reduction was advocated by A. L. Jenkins in his presidential address before the Indiana Association of Insurance Agents at South Bend. Mr. Jenkins has been committed to this policy for some time and he is the author of several articles in behalf of it.

Had the midwest conference committee of the National Association of Insurance Agents been organized earlier, Mr. Jenkins declared that the policy, which he advocates, would have been established. The conference committee, he pointed out, has been in existence less than one year. In its two conferences with executives, the committee has convinced company officials, according to Mr. Jenkins, that the agents, who are on the firing line, and who come into direct contact with the insuring public are in a better position than anyone else to convey to the executives the needs and desires of the public.

"Had such a committee been in existence before the reduction in dwelling rates in August, 1929, and had been consulted regarding this question, the result, I believe, would have been a broader policy, more liberal coverage, elimination of at least some of the irritating things in our business, and brought about a condition that would have produced a better satisfied public."

#### Prepare New Policy

Mr. Jenkins declared that the companies are now preparing a new policy, embodying some of the features advocated by the president of the Indiana association in the hope of recovering at least some of the lost premiums. "How much better to have thought this through with the agents first, possibly arriving at some solution or suggestion, which would have maintained the premium income that had been built up, and have given the public a far broader coverage."

Mr. Jenkins expressed surprise that with so many problems of major importance being agitated today that the average agent is indifferent. Mr. Jenkins reported that he had talked to more than 500 agents in Indiana and has written five different letters to more than 1,200 agents but today membership in the Indiana association is only a little more than 300.

Mr. Jenkins praised the Pacific American Fire for its decision to appoint only those agents who belong to the state and national associations. "How can a company," Mr. Jenkins asked, "hope to have its interests properly looked after and its needs properly presented to those in authority, if its agent does not keep abreast, and informed on the business; and how can the agent hope to keep abreast, and informed, except through an organization?"

The Hull Insurance Agency, Fargo, N. D., one of the old-timers, has taken a lease on the building at 19 Broadway and moved into its new location. The agency has had quarters in the building in which it previously was located since 1910.

## Few Changes Contemplated In Writing of Hail Business

### ADVISORY COMMITTEE MEETS

Fairly Profitable Year Enjoyed by Companies—Premiums Are Reported Somewhat Decreased

Few changes in hail underwriting methods in the central west are contemplated for the succeeding season, it became known following the meeting of the advisory committee of the Western Hail Association in Chicago the latter part of last week.

Hail premiums are down somewhat, the decrease being variously estimated up to 15 percent, but collections are fair, experience not bad and it is believed most of the companies will make a fair profit. Opinions are divided on the outlook for new business in the succeeding season but it is believed that results from farm crops will be the deciding factor. Farmers who have poor crops and get low prices in many cases will consider they cannot afford hail insurance, when it is pointed out then is the time they will need it the most.

#### Practically No Changes

No fundamental changes in rates or commissions were recommended and it is said both levels will scarcely be disturbed. There also was no change recommended in the application form.

The advisory committee recommended to the executive committee for consideration at the annual meeting of members in Chicago Dec. 3 that the Nebraska Hail Adjustment Bureau, which has been conducted ably and with great success by Manager G. V. Lundmark of Omaha, be continued. This is the only state which has a cooperative adjustment bureau of the companies on hail losses.

The work of S. K. Bjornson, assistant to Manager J. B. Cullison of the Rain & Hail Insurance Bureau, Chicago, was highly commended for his fine work in cooperation with the Iowa Experiment Station at Ames, particularly in the study of hail damage to corn conducted over a period of two years. The committee recommended continuing this work and urged that the experiments be encouraged and carried on in other states in the corn belt.

#### Several Committees Named

Several committees were appointed, including that on policy and applications, the chairman of which is L. G. Warder, and commissions and rates, with Jacob Nelson as chairman.

Changes in expiration date for hail cover on various crops in several states were recommended to the executive committee. For Colorado it was urged that the expiration dates be: Canning peas, July 20; seed peas, canning beans and seed beans, Sept. 15, and irrigated wheat Aug. 15.

The members of the advisory committee who attended the sessions were Manager Cullison of the bureau, John Peterson, Jacob Nelson, L. G. Warder, Charles U. Hendrickson, H. A. Sundberg, Glen L. Cavanaugh, Z. A. Hazard and E. T. Tanner. A number of company officials also were in attendance.

### Watching Old Fraternity Houses

Many companies that have had a bad experience with fraternity and sorority houses, especially old residences, are watching these risks very carefully particularly where arrangements have been made to build a new house. New houses of this character are regarded as good risks. Where, however, an old residence is used and a fund is being created for a new house or the new house is being built and money is needed, unfortunately the old houses seem to burn.

The Nevada Fire has been licensed in Michigan for fire reinsurance.

## Two Commissioners Speak at Indiana Agents' Meeting

### WYSONG IN FRANK COMMENT

Livingston of Michigan Tells Association How Members May Cooperate with Insurance Department

Addresses by two insurance commissioners—Charles D. Livingston of Michigan and C. C. Wysong of Indiana, featured the convention of the Indiana Association of Insurance Agents at South Bend.

In his address at the business session Commissioner Livingston told how local agents can be of service to the insurance department. First of all, they can give the commissioner moral support by calling on him in a companionable way and informing him of the situation in their town without making unnecessary complaints. Second, agents may inform the commissioner of evil practices in their incipency, so that steps may be taken to eradicate them before they become serious. Agents should inform him of every sale of an agency, so the sale may be of record to prevent the seller from starting another agency in the same town before the stipulated time.

#### Help in Law Enforcement

Because the appropriations of insurance departments are limited, Mr. Livingston said, agents could help in gathering evidence of violations of the insurance law. Agents also may help in securing proper legislation by cooperating with the commissioner.

In this connection Mr. Livingston related how in 1929 the agents together with companies and the insurance department prepared an insurance code for Michigan. Mr. Livingston suggested that similar procedure should be followed in Indiana. He quoted Commissioner Wysong of Indiana as saying that Indiana needs a new insurance code.

Commissioner Wysong, president of the National Convention of Insurance Commissioners, declared that although an insurance code for Indiana is desirable, it can't be prepared in a day or passed in a week and he doubts whether any program can be put over this year. He declared that he is nearing the end of his term and he thanked the local agents for the support they have given him.

As to agents' qualifications law, he said that if the companies would function there would be no need for such a law. He declared that the companies want to "pass the buck" to the commissioner, when the companies are really to blame. He professed inability to understand why an agent who has made a bad record with one company is "picked up" by another company.

The time is coming, he predicted, when the insurance agent will be a "professional man." Inasmuch as the public forms its opinion of insurance from the insurance agent, the companies suffer if the agents "can't deliver the goods."

Commissioner Wysong also criticized what he termed "cold-blooded, systematic adjustments." Nothing causes so much distrust as adjustments, he said. He added that he does not believe agents should adjust losses but he declared that the "systematic" procedure is undermining the business. There is only one way to settle claims, he said, "leave them smiling when you say goodbye."

### Tax Bill Still Unsigned

COLUMBIA, S. C., Nov. 12.—Governor Richards has taken no action in connection with the bill increasing tax on premiums in South Carolina. His long delay is generally construed here as meaning that he will not sign the measure.

## Keen Interest Taken by Agents

Private Finance Company Advances Deferred Payments on Premium Accounts in Full

### USED BY LOCAL BOARDS

Officially Adopted at Cleveland Cincinnati, Toledo and Fort Worth—Inquiries from Others

Financing of insurance premiums seems to be the liveliest topic in local agency circles. A private finance company has evolved a plan by which the full amount of the deferred payments is advanced at once to the agent, even before he has to pay his company. With the down payment this gives him 100 percent of the premium as soon as the papers can be sent and returned by mail, the return mail carrying the finance company check for the deferred payments.

Hundreds of agents are using the plan and it has been adopted officially by local boards, at Toledo, Cleveland, Cincinnati and at Fort Worth. Last Friday the finance committee of the Chicago Board discussed the plan. At the recent meeting of the Kansas Association of Insurance Agents this finance plan was almost the principal topic of the convention.

Inquiries have come in, either officially or from members who wish to bring the matter before the local board, from Milwaukee, Birmingham, Ala., Montgomery, Ala., Houston, Dallas and Oklahoma City. Barber & Baldwin, the aviation underwriters, have adapted the plan for aviation risks, the money being furnished by the finance company.

#### Collections Bugbear This Year

Collections have been the great drawback of the insurance business this year. Nearly all agents say that business is not so bad but collections are terrible. Therefore, their interest in a finance plan is keen.

What arouses the interest of agents in the plan of the private company, the First Bancredit Corporation of Chicago, is the immediate payment of premiums. The agent does not have to advance any of his own money for any period whatever. He not only gets the money to pay his company when the account current is due but he also gets his own commission, which he may need for carrying on his business. In several finance plans that have been put forth the agent has to wait for his commission either until the final payment is made, or he gets his commission only as the payments are made. In some he not only has to wait for his commission but has to advance part of his own money in paying the account current when due.

#### Hard Up for Cash

Agents this year have so many delinquent customers that they are hard up for cash. A plan that gives the agent his check long before he has to pay the company, and gives him his commission in full, is extremely useful in carrying on the business of the agency.

The financing is done solely on the security of the insurance policies. The agent first makes his arrangement with the finance company. Then when he wants to finance a customer it is practically as simple as sending in the daily reports on the policies. A contract and power of attorney are signed by the assured. This contract is sent to the finance company with the policies. If

(CONTINUED ON PAGE 35)



# Announcing

## a tested plan for financing insurance premiums

Immediate  
Payment in  
Full — 100%  
Including  
Commissions

Pay Your  
Companies

Serve Your  
Customers

Enjoy the  
Commissions  
you have  
earned

Avoid  
Collection  
Troubles

Avoid Loss  
of Business

Maintain Lines  
at Full Amounts  
Needed

Save Minor  
Lines that  
might be cut  
off for Economy

Big Risks

Small Risks

All Appreciate  
Sound Financing

Moderate Charges

Innumerable  
Auto Policies  
Financed

Adopted by  
Local Boards

Approved by  
Companies

Simple in  
Operation

Minimum of  
Formalities

Return Mail  
Service

Meet your Balances  
for January 1st

A PLAN for financing of insurance premiums on the installment basis which has been developed over a period of three years by the FIRST BANCREDIT CORPORATION, Chicago, Illinois, is now available to responsible agents throughout the United States.

Hundreds of progressive agents who are now using this plan, are enthusiastic in their praise of its value in stimulating new sales and reducing collection troubles. The plan has already been adopted by various local boards for the exclusive use of their members.

No agency capital is required in the form of purchase of stock; no partial financing of premiums by agents using the service; no waiting, even for the commission; not a dollar of investment and the immediate collection of the full premium on the sole security of the policies financed.

The plan is very simple in operation, imposing no great amount of detail or red tape and requires no endorsement or guarantee on the part of the agent. The agent collects a down-payment from the assured which he keeps and has a contract signed by the assured, providing for the payment of the balance in 6, 8 or 10 monthly installments. This contract, together with the policies, is

then forwarded to the FIRST BANCREDIT CORPORATION, and immediately, upon receipt and acceptance, a check covering the entire balance is mailed to the agent. Collections are handled direct with the assured by the FIRST BANCREDIT CORPORATION.

Utilize this service for the benefit of yourself, your clients and your companies! It is useful even if the assured does not avail himself of it. Give all your clients the opportunity of financing their premiums. Those who find it inconvenient to pay cash will appreciate the opportunity of paying on a monthly basis. Either way, you get the money you need to pay your companies, to meet your office expenses and to realize on the commission you have earned. You get a 100% collection at once, without advancing any of your own money to pay your account current, and without deferring your realization of the commission.

Large and small assureds are welcoming this method of paying their premiums. Can you afford to be without this modern service which has demonstrated its value by becoming a necessity in the successful merchandising of practically all commodities?

### ATTENTION! BOARD SECRETARIES

Write for details of a plan whereby this service can be made available and restricted to Board Members thus increasing the value of Board Membership.

**AGENTS! WRITE TODAY! OUR SERVICE WILL HELP YOU**

## FIRST BANCREDIT CORPORATION

Affiliated with  
FIRST BANK STOCK CORPORATION  
WRIGLEY BUILDING  
CHICAGO

Write for booklet  
**INSTALLMENT  
SELLING**  
as applied to  
Insurance Premiums





### COVERAGES EFFECTED

FIRE,  
AUTOMOBILE,  
TORNADO,  
RENTS,  
LEASEHOLD,  
EXPLOSION,  
RIOT and CIVIL  
COMMOTION,  
PROFITS AND  
COMMISSION,  
USE & OCCUPANCY

### AUTOMOBILE COVERAGE

## From "Best's Insurance Reports"

"This company is under the same management as the United States Branch of the Sun Insurance Office, Ltd., of London, a very old and reputable institution. It is conservatively operated and a profitable underwriting policy is in force. It is prompt in the settlement of loss claims and has ample resources of its right although it is allied with one of the strongest companies in the world."

# PATRIOTIC INSURANCE COMPANY of AMERICA

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WESTERN DEPARTMENT  
WRIGLEY BLDG., CHICAGO  
JOHN F. STAFFORD, Manager

PACIFIC DEPARTMENT  
SAN FRANCISCO  
G. A. HENRY, General Agent

## Life Society of the Northwest Associations Meets in Chicago

### C. J. MUNN ELECTED PRESIDENT

Crosley Presides at Dinner—Minn-Dako-Wis Tribe Gathers with W. E. Higbee Presiding

A successful and interesting meeting of the Society of Life Members of the Fire Underwriters Association of the Northwest was held in Chicago last week. There were 41 present, and in the palmiest days of the Northwest Association when hundreds of field men were brought to Chicago to attend its annual meeting, the Life Members society had, as its high water mark in the way of attendance, only 61. This attendance and the interest exhibited by those present indicates clearly that the Society of Life Members will continue to hold an annual meeting whether the parent body does or not. As is known, the Northwest Association does not intend to hold another meeting until business conditions improve to an extent where company officials will feel justified in having their field men go to Chicago for this affair.

#### G. R. Crosley Presides

G. R. Crosley, Iowa state agent Western & British America, presided at the dinner as president. C. J. Munn, manager of the Cook County Loss Adjustment Bureau, welcomed the new members as vice-president, and F. L. Erion, Chicago adjuster, responded on behalf of the new members, reading a paper prepared by W. L. Lerch, manager Underwriters Grain Association, who was not able to be present.

John F. Stafford, western manager of the Sun and president of the Fire Underwriters Association of the Northwest, spoke on behalf of that body, explaining its present status. He declared that the association is not dead by any means, and that it is only the spirit of the times that necessitated the elimination of the annual meeting this year.

W. R. Townley, secretary of the Underwriters Salvage Company of Chicago, said that the Fire Underwriters Association of the Northwest should be kept alive. He stated that there is no other organization functioning in the field of corporate friendliness, and the trend of the times is toward unfriendliness in business. There were brief talks by the three insurance newspaper men present, T. R. Weddell of the "Insurance Field," Howard J. Burridge of THE NATIONAL UNDERWRITER and J. C. Leisler of the Chicago "Journal of Commerce." W. E. Higbee of Fred S. James & Co. explained briefly the functions and ideals of the Minn-Dako-Wis tribe.

The new officers elected were: President, C. J. Munn, manager Cook County Loss Adjustment Bureau; first vice-president, W. B. Calhoun, well known Milwaukee local agent and the recently elected executive committee chairman of the National Association of Insurance Agents; second vice-president, Fred M. Gund, western manager of Crum & Forster; secretary, Holger de Roode, Chicago local agent, and treasurer, W. J. Sonnen, manager of the improved risk department of the St. Paul Fire & Marine in Chicago.

All those present were interested in the appearance of C. E. Affeld, who has been in the insurance business in Chicago since 1865. Frank Rogers, Chicago local agent, suggested the use of a suitable token or emblem and urged the incoming officers to appoint a committee to consider this with W. R. Townley as chairman. Entertainment was furnished by three members of the Chicago Sorority of Phi Sigma Alpha.

Earlier in the day, the Minn-Dako-Wis tribe held a luncheon at the Union League Club with W. E. Higbee presiding as chief. The officers in the Minn-Dako-Wis tribe are continued

from year to year and are changed only upon death. Thus, C. W. Higley, president of the Hanover Fire, continues as vice-president of the tribe and George R. Crosley was appointed to succeed the late John E. Davies as historian. Mr. Crosley also continuing in the office of secretary. The Minn-Dako-Wis tribe is composed of men who traveled in Minnesota, the Dakotas and Wisconsin, and its membership was closed 25 years ago. There were ten at its luncheon out of the total membership of 22.

## Blumenreiter Quits Home to Head Brokerage Office

G. A. Blumenreiter, for many years connected with the Home and one of the best known New York fire underwriters, has retired from the company's service to assume the presidency of the Crescent Brokerage Corporation, which he organized, taking for it extensive quarters at 51 East 42nd St. He has already secured control of a number of nationally known lines, and in anticipation of getting others, has engaged a numerous office force. His connection with the Home began in 1907 as an examiner in its southern underwriting division. Seven years later he created the company's business development department which under his intelligent and vigorous administration eventually became one of the most important premium producing units. President Kurth of the Home expressed keen regret at the loss of service of Secretary Blumenreiter.

Mr. Blumenreiter stated he would continue his very close association with the Home, favoring that company with most of his business. Mr. Blumenreiter graduated from the University of Berlin and in addition to his business affiliations, since coming to this country he has been actively engaged in various social, fraternal and charitable organizations. The service department, formerly managed by Secretary Blumenreiter, will continue under the guidance of General Manager Ivan Escott, with Arnold Grasse as associate manager.

## Plotkin Makes Change

NEW YORK, Nov. 12.—Leonard M. P. Plotkin formerly with the Niagara Fire, has joined the local office of the Fire Association of Philadelphia, and will supervise its operations and those of its affiliate, the Victory, in the New York suburban field.

## Copeland Marine Manager

NEW YORK, Nov. 12.—Ernst Copeland, Jr., who has been appointed manager of the marine department of the local agency of W. L. Perrin & Co., is an experienced marine underwriter, having been associated with the office of W. J. Roberts & Co., for several years.

## Give New Voting Rights

Holders of common stock of the Crum & Forster Corporation have been notified by its management that henceforward all shares will be entitled to vote, a privilege heretofore restricted to Class A shares. They are further advised that the authorized preferred stock has been reduced to \$10,000,000 and that \$463,100 par value of stock acquired by purchase in 1930 and several previous years has been retired.

## Wickham Named Special Agent

E. G. Wickham has been appointed special agent of the County Fire, Rochester American and the Detroit F. & M. with headquarters in the Telegraph building at Harrisburg, Pa. He succeeds G. G. Carick of Philadelphia who enters the local business. Mr. Wickham is the son of C. E. Wickham, a New York City agent.



# What of the Future?

American Equitable Assurance Com-  
pany of New York  
Capital, \$2,000,000.00

Bronx Fire Insurance Company of  
the City of New York  
Capital, \$1,000,000.00

Brooklyn Fire Insurance Company  
Capital, \$1,000,000.00

Globe Insurance Company of America  
Pittsburgh, Pa.  
(Incorporated 1862)  
Capital, \$1,000,000.00

Independence Fire Insurance Company  
Philadelphia, Pa.  
Capital, \$1,000,000.00

Independence Indemnity Company  
Philadelphia, Pa.  
Capital, \$1,250,000.00

Jefferson Fire Insurance Co.  
Newark, N. J.  
Capital, \$400,000.00

Knickerbocker Insurance Company  
of New York  
Capital, \$1,000,000.00

Liberty Bell Insurance Company  
Philadelphia, Pa.  
Capital, \$1,000,000.00

Merchants and Manufacturers Fire  
Insurance Company  
Newark, N. J.  
(Chartered 1849)  
Capital, \$1,000,000.00

New York Fire Insurance Company  
(Incorporated 1832)  
Capital, \$1,000,000.00

Republic Fire Insurance Company  
of America  
Pittsburgh, Pa.  
(Incorporated 1871)  
Capital, \$1,000,000.00

Sylvania Insurance Company  
Philadelphia, Pa.  
Capital, \$1,500,000.00

**I**NSURANCE, like every other business today, is grasping the present opportunity to take stock of itself. Reference is more to production than any other factor, because in the sale of more insurance lies the future of the business.

Hence the agent is inextricably bound up with such a discussion. He is the producer; through his efforts largely has come the progress of insurance.

No statistics or arguments are required to show that the volume of premiums has grown steadily. In the light of past experience this volume promises to show a still greater increase in the years to come.

All other business will be as dependent upon insurance in the future as in the past. There cannot be so deep-rooted a change in the nature and conduct of industry or commerce as to permit dispensing with its chief factor of protection. This may not be beyond the realm of possibility, because nothing is impossible, but it is as certainly beyond that of probability as a Bolshevistic United States of America.

Neither is there apparent on the horizon any radical change in the method of distributing insurance. The agent will be needed both by assureds and insurance companies.

## CORROON & REYNOLDS

*Incorporated*

INSURANCE UNDERWRITERS

*Manager*

92 William Street

New York, N. Y.

THE SATURDAY EVENING POST

# When FATE spins the wheel



## YOU pay the bill

NO matter how skillfully you drive, an icy street, a blown tire, or a quick turn to avoid a careless child may send you careening against a tree or into an upset. The resulting damage to your car may necessitate costly repairs. And you have no one from whom to claim damages—but must pay the bill out of your own pocket UNLESS you carry COLLISION Insurance. No other policy covers damage to your own car. With COLLISION Insurance available in an economical range of Deductible forms, it is folly to stake your car on a gamble with Fate.

For rates on this and other kinds of Automobile Insurance, Ask your ALLIANCE

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231 Sansome Street

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8th Floor, Hurt Bldg.

## Multitude of Reforms Is Proposed by Coquillard

ADDRESSES INDIANA AGENTS

Head of South Bend Exchange Tells What State Association Can Do for Agents

In a series of specific recommendations, Alexis Coquillard, president of the South Bend Insurance Exchange admirably conformed to the subject of his address, "What can the state association do in 1931 for the benefit of the local agents?" which he delivered before the Indiana Association of Insurance Agents at South Bend.

Mr. Coquillard's first recommendation was that each member of the state association buttonhole at least five fellow agents during the next year and bring them into the fold. Furthermore he advised members to form local associations in the various cities. Groups of small country towns should band together to form a single organization.

Local boards, he declared, should establish credit bureaus, the secretary of which should bulletin members as to delinquency of assureds. Acting on this information all agents in the town should decline to write insurance for delinquent citizens.

### Recommendation on Advertising

The local boards should advertise and coordinate their advertising with that sponsored by the National Board. The advertisement should explain various coverages and should point out the advantage of stock company insurance over mutual and reciprocal.

The state association, Mr. Coquillard declared, should appoint a committee to confer with the National association on the appointment of fewer and better trained agents, restriction of fleets, reinsurance of mutuals and reciprocals and bank agencies.

### Would Write to Manufacturers

Local associations might send communications to the manufacturers in the different cities asking them to place their insurance in their home towns and cities. Mr. Coquillard said that the letter might be prepared by the secretary of the state association and sent to the various local boards for distribution.

The state association, Mr. Coquillard added, should continue its effort to have its members represent only companies that are fair to members of agency associations and which recognize the right of the agent to the ownership of expirations. Moreover the state association should enforce a rule that no member should represent both stock and mutual or reciprocal companies.

### Pay Balances Promptly

All members should be encouraged to pay the company's balances promptly. One influential member of the state association from Indianapolis should be appointed on the legislative committee, which should attempt to get a law making insurance premiums preferred claims in bankruptcy.

Another law should be passed making contract bonds mandatory upon contractors for public buildings where workmen's compensation is required. The legislative committee furthermore should seek an amendment to the qualification law requiring applicants for license to pass an examination in fire and casualty insurance. Mr. Coquillard made the interesting recommendation that special agents also be required to submit to this examination.

Mr. Coquillard added that agents should give more attention to educational articles in insurance journals and house organs of the companies. He suggested that the state association call attention to some outstanding article each month.

The state association should encour-

## Sun's Rays on Glycerine Cause Automobile Loss

An interesting cause of fire is shown in a case at Ottumwa, Ia., the assured being Arthur Lanz. He had his car locked and parked back of the city fire department. The sun was shining brightly. In the back of the car was a round jug filled with glycerine which the owner was planning to put in his radiator. The sun shone on the glass, which acted as a lens, focused the rays and set fire to the upholstery of the car. The fire chief gave a demonstration after the fire was put out to show just how it started.

age its agents to sell fire insurance sidelines and allied lines to make up for loss in fire premiums, and also the different casualty lines especially personal accident and automobile liability and owners and tenants' public liability insurance.

Furthermore he said that the state association should go on record as urging the abolition of non-policy-writing agents within a year.

### Butler Now a Deputy

NEW YORK, Nov. 12.—Charles P. Butler, for the past two and a half years counsel at Albany headquarters of the New York department, has been appointed third deputy superintendent and transferred to the branch office in this city.

## INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle Street, Chicago, as of Nov. 10

Stock	Par	Share	Bid	Asked
Aetna Cas. ....	10	1.60	75	80
Aetna Fire. ....	10	2.00	47	50
Aetna Life. ....	10	1.20	65	68
Agricultural ....	25	4.00	105	115
Amer. Alliance. ....	10	1.60	24	27
American, N. J. ....	5	1.00	16	18
Amer. Surety. ....	25	6.00	95	100
Automobile ....	10	1.20	27	30
Baltimore Amer. ....	5	.80	10	12
Boston ....	100	16.00	450	500
Brooklyn ....	5	1.20	12	14
Carolina ....	10	1.50	23	26
City of N. Y. ....	100	16.00	275	310
Continental Cas. ....	10	1.60	32	34
Continental Ins. ....	10	2.40	40	42
Fidelity & Dep. ....	50	9.00	145	155
Fidelity-Phenix ....	10	2.60	46	48
Firemen's ....	10	2.20	29	31
Franklin ....	5	1.60	25	27
Glens Falls. ....	10	1.50	48	50
Globe & Rutgers ....	100	24.00	630	650
Great Am. Indem. ....	10	...	23	26
Great Am. Insur. ....	10	1.60	24	26
Great Lakes ....	10	1.00	10	12
Halifax ....	10	1.00	18	20
Hanover ....	10	1.60	28	30
Harmonia ....	10	1.50	22	25
Hartford Fire. ....	10	2.00	58	60
Hfd. St. Boiler. ....	10	1.60	53	55
Home, N. Y. ....	10	2.00	34	36
Home Fire Sec. ....	10	...	8	10
Homestead ....	10	1.00	16	18
Independ. Indem. ....	5	...	5	7
Independ. Fire. ....	5	...	6	8
Ins. Co. of N. A. ....	10	*2.00	49	51
Lincoln Nat. Life ....	10	2.50	90	95
Lincoln, N. Y. ....	10	2.40	26	32
Merchants, Com. ....	10	2.00	67	71
Merchants, Fd. ....	100	7.00	110	...
National Cas. ....	10	1.20	19	21
National Fire. ....	10	2.00	54	56
National Liberty. ....	5	.50	7	9
National Surety. ....	50	5.00	59	61
National Union. ....	100	12.00	180	200
New Brunswick. ....	10	1.50	23	26
New Hampshire. ....	10	*1.60	44	48
North River. ....	10	2.00	38	42
N. W. National. ....	25	5.00	100	110
Peoples Natl. ....	5	.50	4	6
Philadelphia Nat. ....	10	1.20	19	21
Phoenix ....	10	2.00	67	69
Preferred Accl. ....	20	3.00	50	56
Prov. Wash. ....	10	2.20	41	43
Reliance ....	10	1.20	7	9
Republic Fire. ....	10	2.00	8	10
Rossia ....	10	2.20	19	21
Springfield ....	25	4.50	115	120
St. Paul F. & M. ....	25	5.00	170	180
Stuyvesant. ....	25	2.00	40	45
Sun Life. ....	100	*25.00	1600	1700
Travelers ....	100	24.00	1010	1040
U. S. Casualty. ....	25	4.00	54	58
Westchester ....	10	2.50	39	43

\*Extra dividend paid.

# An Important Member of any conference on PROFITS



HERE is an insurance agent who is welcome always. He doesn't "peddle" policies. He is welcomed not for his sales tactics, but for his knowledge of insurance as applied to business, and the valuable advice he is able to offer. ➤ ➤

When his clients plot their profits he is called in to advise them about the protection offered by Use & Occupancy Insurance. He points out the bearing of U. & O. on credits, on dividends, on executive's salaries, on advertising appropriations, rent, mortgages and other intimate business items. He makes himself as necessary in the discussion of profits as the plant superintendent or the sales manager.

Insurance advisors of this type are building for the future, and we are especially proud to have them identified with our organization. ➤ ➤ ➤ ➤ ➤

**THE LIVERPOOL  
AND LONDON  
AND GLOBE  
Insurance Co Ltd**

Executive Offices: 1 Pershing Square  
Park Ave. at 42nd St. New York, N. Y.

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND



# NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



## SIXTIETH PROGRESSIVE ANNUAL STATEMENT

January 1, 1930

Assets	
United States Bonds.....	\$ 3,271,750.00
Dominion of Canada Bonds.....	265,610.00
Real Estate .....	381,500.00
Municipal and Other Bonds and Stocks, Mortgage and Collateral Loans.....	12,765,415.29
Agents' Balances .....	898,001.94
Accounts Receivable .....	172,716.76
Cash in Banks.....	668,532.55
	<hr/> \$18,423,526.54
Liabilities	
Capital Stock .....	\$ 3,000,000.00
Unearned Premium Reserve.....	5,554,489.49
Reserve for Losses.....	657,857.87
Reserve for Taxes, Expenses and Other Liabilities .....	569,000.00
Reserve for Dividends Declared and Unpaid..	137,876.44
Net Surplus .....	8,504,302.74
	<hr/> \$18,423,526.54

**POLICYHOLDERS' SURPLUS \$11,504,302.74**

AFFILIATED COMPANY

**Granite State Fire Insurance Company**  
Portsmouth, N. H.

## EDUCATIONAL SECTION

### Erion Declares U. & O. Is Essential in Depression

The tragic feature of many fire losses has been the entire absence of use and occupancy insurance in the great majority of cases, and so the duty of insurance men at present is to stop cancellations of U. & O. except on idle plans, Frank L. Erion, nationally known Chicago fire adjuster, stated in an address this week to the Cleveland Board.

Mr. Erion says U. & O. may properly be decreased in proportion to reduction in plant earnings, just as property insurance is reduced, but there is no more reason for cancelling it outright while business operations continue than there is for cancelling property cover while any value exists. He said in part:

#### Wrong Time to Cancel

"During dull business and reduced earnings the amount of U. & O. required is lessened but the owner's need for it is more essential. If a going business that is earning a handsome net profit loses a few thousand dollars of earnings it can pay the loss out of its profit item, but if that same business declines until it is earning no net profit and a suspension causes loss of earnings, where will it find the money to pay that loss if it has no U. & O. insurance?"

"U. & O. is really the insurance of earnings, and the business that is earning only its fixed charges or a portion thereof is in no position to risk losing any part of its already insufficient earnings."

#### Discover Some Overinsurance

"Adjustments during the past few months have disclosed several instances of overinsurance of U. & O., but this pertains mostly to low rated risks where there is little to be gained by short-rate cancellation whose managers are daily hoping for an increase in volume. This overinsurance has not caused any adjustment difficulties, because the owners were quite content and well pleased to collect their actual loss of earnings once it was conclusively demonstrated to them what that loss really was."

"Here are the facts of one case—there have been many of similar import: A concern doing a big business operates several plants in the same city. The bursting of the stock market balloon caused them financial losses and declining business volume caused a decrease in the earnings of their business. The management went on an expense reducing spree, cutting here, there and everywhere regardless of the consequences, the one purpose being to reduce expenditures. They cancelled their U. & O. insurance although earning all of their fixed charges and a comparatively small net profit."

#### Primary Operation Disabled

"Then at the beginning of their period of peak production one of their plants burned. This plant, while interdependent with the others, made one vital product not made in any of the other plants; it also performed a primary operation that affected all the other plants. As a result of this fire the concern suffered a heavy loss of earnings that it could ill afford to bear. This loss ate up its small net profit and caused a big loss of fixed charges in addition thereto. Needless to say, the concern now has U. & O. on its remaining plants."

"Another loss involving a big concern which not only was failing to earn a net profit but whose business in fact indicated that the year of 1930 would show a net loss of nearly a half million

dollars was found with more U. & O. insurance than it needed."

"The plant which was showing the greatest proportion of earning was the one that the fire visited. Adjustment was made on a basis which will leave the insured at the end of the year in exactly the position it would have occupied had there been no fire. Note the difference between these two concerns."

"Mass production with its accompanying narrow margin of gross profit requires a large volume to yield any net profit, but once that point has been reached the net grows rapidly because of the fact that all fixed expenses are earned before there is any net and thereafter—the entire margin on each sale adds to the net profit."

"Declining volume first affects net profit and the initial decline affects it in greater proportion than subsequent decrease does. The owner seeing a big decline in net profit is apt to say that he is making no money and is pretty sure to make that remark if the net entirely disappears. When the decline starts the owner immediately looks for ways and means to reduce expenses."

#### Cites Case in Point

"The writer was in an agent's office a few days ago when there came a telephone order to cancel \$750,000 U. & O. insurance. The writer said, 'That fellow probably needs less U. & O. but he needs enough to cover his earnings during this time of dull business worse than he ever needed it during the boom period; let us go and see him.' An appointment was made for that same day and an audit showed a U. & O. value of between \$400,000 and \$500,000, but the owner said: 'I must cut down expenses and have decided to get along without U. & O. insurance.'"

"Then came the duty and privilege of proving that he could not afford to do so. The first argument was the age old one that a poor man needs insurance because his circumstances do not warrant him in taking any risk of loss. After many illustrations of this fundamental the owner still maintained that he could not afford U. & O. insurance and that it was ridiculous to say in his circumstances he was warranted in carrying it."

#### Polleyholder in Quandary

"Then he was asked how he would pay the interest on his bank loans and his bond issue if disaster caused a suspension of business. He replied that if his plant was destroyed he would use the proceeds from his property insurance to pay off his indebtedness and quit business. Then he was asked what he would do if the plant was only half destroyed and the property insurance money was not sufficient to pay off all loans."

"He finally admitted that in such a case he could not use the property insurance money to pay loans because if he did he would not have capital to continue business and if he did not continue his whole investment would be lost; but he still insisted upon the cancellation."

"The relatively small amount of return premium he would receive under short rate cancellation and the fact that for such a small amount he would have the security of U. & O. insurance to the expiration date finally caused him to decide to withdraw the cancellation order and request the U. & O. dropped at expiration."

"By this time the agent had warmed

# INTER-OCEAN REINSURANCE COMPANY

Cedar Rapids, Iowa

**Assets \$3,777,940.46**

**Reserve & Liabilities \$2,268,019.38**

**Capital \$500,000.00**

**Surplus \$1,009,921.08**

**T**HE individualized, flexible service offered by this company has made it well and favorably known. Careful, conservative underwriting has made it strong.

**REINSURANCE**  
**FIRE**  
**TORNADO**  
**AUTOMOBILE**

**RICHARD LORD, President**

**ROY E. CURRAY, Secretary**

**KARL' P. BLAISE, Ass't Sec'y.**

Tested By the Fires of Two Centuries

1720



1930

## THE LONDON ASSURANCE CORPORATION

UNITED STATES BRANCH  
150 William St., New York

EVERETT W. NOURSE, United States Manager

CHRIS D. SHEFFE, Assistant Manager

**TWO HUNDRED AND TEN YEARS OF  
HONORABLE DEALING WITH AGENT,  
POLICYHOLDER, AND COMPETITOR**

**TRADITION CHARACTER STRENGTH**

AFFILIATED COMPANY

## THE MANHATTAN FIRE AND MARINE INSURANCE COMPANY

EVERETT W. NOURSE, President  
150 William St., New York



Automobile (All Covers)  
Fire and Tornado  
Public Liability  
Plate Glass

**UNION INSURANCE COMPANY  
OF INDIANA**

Executive Office—Indianapolis, Ind.

**A** strong, progressive stock company, organized in 1849 and doing business in Indiana, Illinois, Oklahoma and Missouri.

Wide-awake agents, seeking a good connection are invited to address the executive office at Indianapolis.

up to his job and decided he must find a way to induce the insured to carry what U. & O. was needed to safeguard the earnings of his business. A visit to insured's banker yielded the desired result. The partial property loss feature with its inevitable attendant result was explained to the banker who at once realized the situation and said he would insist upon continuance of sufficient U. & O. insurance to cover the

earnings of the business. The agent lessened this U. & O. cancellation; the amount dropped from \$750,000 to \$450,000, because the value decreased but it will never again be necessary to sell that owner the advisability of U. & O. insurance.

"U. & O. insurance is merely the insurance of anticipated earnings. If there is to be no earnings there is nothing for U. & O. to insure."

## CHANGES IN THE FIELD

### Hoest Promoted by Firemen's

Becomes Head of Survey Department—  
Succeeded in Illinois Field by  
W. F. Rapp

The farm and survey departments of the Firemen's group in the west, which have heretofore been conducted under the supervision of John N. Thelen, farm department superintendent, have been separated because of the growth of the two departments, according to announcement by Western Manager H. A. Clark.

Mr. Thelen will continue as superintendent of the farm department. Superintendent of the survey department will be C. A. E. Hoest, who has been state agent for the Girard and the Mechanics in Illinois for many years. Mr. Hoest has been in the service of the Girard for 40 years, the last 21 years traveling as state agent.

To succeed Mr. Hoest in the Illinois field, Walter F. Rapp has been appointed state agent for the Girard and Mechanics. Mr. Rapp comes from Columbia, Ill., where he was for many years associated with his father in the local agency business. He has been more recently special agent in Illinois under State Agent Dan T. Smith of the Milwaukee Mechanics. Mr. Rapp has also served as special agent of the St. Louis department of the St. Paul Fire & Marine and was connected with the Missouri Inspection Bureau for several years.

### E. S. Knapp

E. S. Knapp, formerly special agent in Kentucky for the general agency department of Reutlinger & Co., before merger of that agency with the Liberty Fire, representing the Lafayette and

Central States Fire, has become state agent in Kentucky for the general agency of D. Cliff Stone, Nashville, Tenn., and will look after the New Brunswick, Harmonia, Halifax, First American, Transportation, Detroit Fire & Marine, American Fire & Marine and American Indemnity business in Kentucky. Mr. Stone and Herbert P. Vincent, assistant general agent, have been alternating in handling Kentucky territory for the group in the past.

### Louis Shine

Louis Shine, well known among Mountain field men, has become special agent of the Northwestern National with headquarters at 306 Omaha Building & Loan building, Omaha. He was formerly employed in the rating bureaus in Missouri and Nebraska, and has been special agent in Colorado for the National Security of Omaha and the New Zealand.

Mr. Shine succeeds L. J. Sherman, who resigned because of ill health.

### R. F. Hauenstine

R. F. Hauenstine has resigned as Indiana special agent of the Bankers & Shippers group. R. S. Oellers, assistant secretary and agency superintendent, was in Indianapolis last week considering appointment of a successor for Mr. Hauenstine.

### C. E. Hurst

The Connecticut Fire has appointed C. E. Hurst state agent in Massachusetts to succeed J. McK. Lewis, resigned. Mr. Hurst has been in field work in New England for some years and has had head office experience. He will be assisted by H. C. Knox as special agent.

### Reed Head of Boston Board

Increase of 7 Percent in Fire Loss Reported by Manager Winkley—  
Membership Large

BOSTON, Nov. 12.—Samuel B. Reed, veteran insurance man of Boston and partner in O'Brien, Russell & Co. for 18 years, was elected president of the Boston Board. Mr. Reed entered insurance as office boy in the Commonwealth of Boston May 1, 1875, and continued with the company until its retirement in 1882. He was then engaged as fire clerk with the Boylston Insurance Company of Boston, remaining until 1894, when he was appointed special agent for the Springfield, remaining until 1900. Mr. Reed became a member of Reed & Brother, Boston insurance office, in 1900, and in 1912 became a partner of O'Brien, Russell & Co.

George B. Proctor was elected vice-president of the board and James Davis secretary-treasurer. W. H. Winkley was reelected manager and Isaac Osgood assistant manager. The new executive committee includes A. W. Burke, H. A. Kneeland, Alfred Davenport, J. J. Cornish and A. S. Nelson. Three year terms on the advisory committee will be filled by the Hartford, Niagara and Herbert G. Fairfield. Brokers committee consists of J. W. Gahan, H. W.

Gilman and R. A. Sullivan. G. T. Vedeler was elected to the hand book committee.

John H. Eddy, retiring president, reported the board has the largest membership in its history, 64 members representing 253 direct writing companies and 61 underwriters agencies.

Manager Winkley reported an increase in number of fires reported to the Boston protective department in 1929, and increased aggregate fire loss, from \$3,887,249 to \$4,129,926, approximately 7 percent. Average loss per fire was lower than in any year since 1919. Premium income dropped approximately \$500,000, and if unreported losses were included would probably show an underwriting loss. Estimates this year indicate an increase of nearly \$2,000,000 in fire loss over 1929.

Rates have been materially reduced on sprinklered risks and a new schedule prepared for rating churches of second and third class construction which have formerly been in the minimum class, with a view to giving recognition to superior construction.

Superintendent David McInnes of the rating department reported that 11,686 risks were acted on in 1929 and 10,602 in 1930.

At the luncheon meeting of the Kansas Blue Goose in Topeka, Monday, O. W. Doling, L. & L. & G., acted as chairman. H. J. Helmkamp, secretary Kansas Fire Prevention Association, spoke on inspections to be held at Anthony and Harper



## NEWS OF THE COMPANIES

### Standard Federal Reinsured

#### Cosmopolitan Fire of New York Has Taken Over the Liability of Davenport Company

Announcement is made that the Cosmopolitan Fire of New York has reinsured the entire liability of the Standard Federal Fire of Davenport. W. A. Rattelman, vice-president of the Cosmopolitan Fire, is in charge of the negotiations and was in Davenport last week. The Cosmopolitan Fire will replace the Standard Federal wherever possible. The Standard Federal Fire is a member of the Western Underwriters Association, while the Cosmopolitan Fire is non-affiliated. Outside of the excepted cities, therefore, this may cause some complications. It is understood that the Standard Federal Fire will ultimately be liquidated. W. L. Pettibone, the vice-president at Davenport, has been the underwriter. Recently the Federal Surety arranged to have an exchange of stock with the Standard Federal Fire to give it control of the fire company. The control was thus consummated and the reinsurance deal was arranged. The Cosmopolitan, Jan. 1, had \$1,000,000 capital, \$1,000,000 surplus and \$2,684,610 assets.

The Lloyds Casualty people control the Federal Surety and have recently purchased the Detroit Fidelity & Casualty. This gives it three casualty companies and one fire company.

On Jan. 1 the Standard Federal showed assets \$953,925, premium reserve \$210,575 and capital \$382,367, net surplus \$173,467, premiums \$176,485, total income \$188,824, losses \$185,841, total expenditures \$311,020.

### Birmingham Fire Celebrates

BIRMINGHAM, ALA., Nov. 12.—The Birmingham Fire celebrated its fifth anniversary with a banquet for officers, stockholders, agents and employees. Among the guests were William F. Dunbar, manager of Southeastern Underwriters Association, and Joseph Lawrence of the Birmingham Adjustmeant Bureau.

President H. G. Seibels acted as toastmaster. He reviewed the history and progress of the company and stated that business written the last year has been much more than expected.

Manager Dunbar recited difficulties encountered in organizing the S. E. U. A., which was started at Gainesville, Ga., in 1882 and has grown from a personnel of two inspectors to one of 56 inspectors, 75 engineers and many other trained employees.

### Not an Underwriters' Policy

The First National of Seattle has appointed a general agency at Chatfield, Minn., which will use the name of the Minnesota Fire Insurance Underwriters, but will not issue an underwriters' policy under that name. H. P. Thurber, formerly president of the Minnesota Fire, is interested in the general agency. The name of the general agency is printed on the filing back of the policy, with the designation "general agents," but it will not be an underwriters' agency in the ordinary sense. It will not be an underwriters policy of the First National.

### Stratfield F. & M. Loses Charter

The Stratfield Fire & Marine of New Jersey, chartered in October, 1929, has lost its charter through failure to meet the requirements of the law.

The company had \$200,000 capital, and surplus of a similar amount. Its officers were: President H. R. Wemple, well known New York reinsurance man; vice-presidents, R. J. Noble, vice-presi-

dent and general manager Western Ocean Steamship Co., and J. S. Morrow, president of Morrow & Co., investment bankers, New York; treasurer and comptroller, L. F. Cremin, formerly with the Travelers; secretary, B. Brigham, former vice-president Continental Finance Corporation.

### Propose Capital Increase

It is proposed to increase the capital of the Manhattan Fire & Marine from \$400,000 to \$1,000,000 by transferring \$100,000 from surplus to capital in the form of a 25 percent stock dividend and issuing 5,000 new shares with \$100 par value. This proposal has been approved by the New York department. Depart-

ment examination as of Sept. 30 shows the Manhattan F. & M. in good financial condition, with total assets \$1,761,791, unearned premiums \$636,490, all other liabilities \$64,488, leaving net surplus in excess of capital, \$660,813.

### Little Loss on Investments

SEATTLE, WASH., Nov. 12.—Scott Bullitt has been elected to the board of the General of Seattle and R. H. Baldwin and E. W. Hall have been added to the board of the First National and the American Insurance Agency. The General group's list of investments shows no shrinkage in values between Jan. 1 and Oct. 23, actual losses being but \$1,300 on \$9,000,000 of investments, or less than 1 percent. O. D. Fisher, board chairman, congratulated the finance committee on this achievement over a period when investment values have shrunk.

## Company Notes

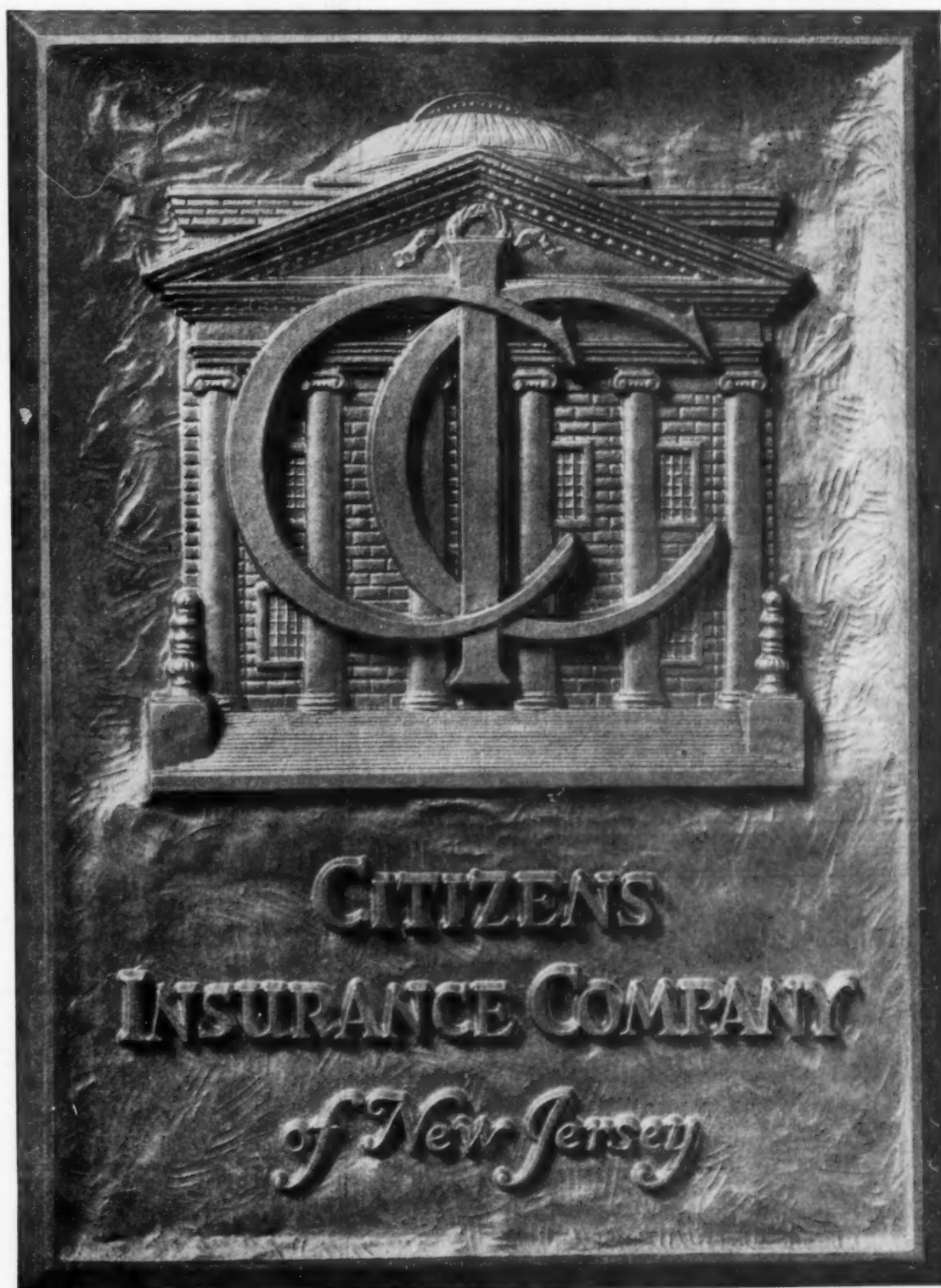
The Guaranty Fire of Providence has been licensed in Mississippi.

The Central Fire of Baltimore has been admitted to Texas. Webb, Branshaw & Co. of San Antonio are general agents.

The Nevada Fire of Reno, Nev., has been licensed in Illinois to do a reinsurance business. It has \$400,000 capital.

### Advertising Group Meets

In his three-fold capacity as publicity director of the North British & Mercantile group, president of the Insurance Advertising Conference and author of the fire and casualty agents reference book, "Down to Brass Tacks," C. S. S. Miller opened the discussion as to "How Insurance Companies Use Letters and Direct Mail Advertising" at a gathering of the Mail Advertising Service Association in New York this week.



## Don't take "long chances"

Pilots, mechanics and others connected with the aviation industry do not take "long chances." Before an airplane is given a flight O. K. it is carefully inspected by experts who carefully go over all nuts, bolts, attachments and connections. Only after a painstaking inspection is a pilot allowed to take a plane off the ground.

Today business would be in a better condition if the scrutinizing methods of the aviation industry were generally applied. An appraisal by the Lloyd-Thomas Company, appraisal experts, gives the same careful inspection of a business that aviation experts give to an airplane. All angles of a business are carefully considered with the result that many dollar saving suggestions are put into operation.

Insurance men retain their clients' good will and business by recommending a Lloyd-Thomas appraisal.

**WHAT IS AN APPRAISAL?**—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

**ITS ADVANTAGES**—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

## The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES.

APPRAISAL ENGINEERS

1411 Ravenswood Ave., Chicago  
120 Broadway, New York

Cincinnati	Cleveland	Detroit	Indianapolis
St. Louis	Milwaukee	Pittsburgh	Memphis
Denver	Toronto	Minneapolis	Kansas City
Washington	Los Angeles	Atlanta	Des Moines
Birmingham	Omaha	Berlin	London

## NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

FIRE - AUTOMOBILE - WINDSTORM  
BUSINESS INTERRUPTION INDEMNITY

## CHICAGO NEWS

### FIRE PREVENTION CAMPAIGN

Every state fire prevention association in central western territory, with the exception of Indiana and South Dakota, has functioned during the past three months. Following a period of inactivity, the Indiana association expects to get going in the near future, the executive committee having met at Indianapolis last week with R. E. Vernor of the Western Actuarial Bureau, when plans were discussed for the conduct of town inspections and other activities during the coming months. So far this season, 30 educational and town inspection campaigns have been conducted by the various state associations. Because of the general business depression, when store owners and heads of industrial plants are prone to let down on their housekeeping, a greater need than ever exists for carefully planned and methodically carried out town inspections.

As shown by the records of the fire prevention department of the Western Actuarial Bureau, there were 15 town inspections, in 11 campaigns, conducted by the state fire prevention associations in central western territory last month, in which 237 field men participated.

Of the 2,080 risks inspected in October, 1,666, or more than 80 percent were criticized, 7,326 defects in all being discovered.

\* \* \*

### INSURANCE CLUB TO MEET

The Insurance Club will hold a business meeting to elect four directors starting at 6 o'clock, Nov. 18. President Joseph W. Bolton and Secretary Donald A. Drury announced that the regular theater parties following business sessions will be resumed at this meeting.

\* \* \*

### DINNER FOR McCABE

A dinner in honor of Charles R. McCabe, Jr., of the Chicago local agency of McCabe & Hengle will be given by his insurance friends at Brevoort Hotel in Chicago Nov. 24. There will be a good fellowship gathering prior to the dinner. Mr. McCabe is to be married Nov. 29 and the dinner will be in celebration of that event. The committee in charge of the arrangements for the dinner consists of R. I. Read, Crum & Forster, chairman; W. J. Nolan, Bankers & Shippers, and H. J. Burridge, THE NATIONAL UNDERWRITER.

\* \* \*

The western department of the Hartford Fire, Hartford Accident, Citizens and Hartford Live Stock have formed the **Hartford Good Fellows Club**. Practically every employee is a member. Committees have been formed and plans made to care for a number of families in financial distress.

\* \* \*

L. M. Risley, manager of the Chicago office of the Standard Federal Fire, will continue his office but will be manager of the Cosmopolitan Fire, which has insured the Standard Federal.

\* \* \*

The annual meeting of the Western Loss Association of Chicago will take place next Tuesday evening.

### Allen to Address Finance Group

H. W. Allen, secretary Public Fire, is scheduled to address the annual meeting of the National Association of Finance Companies in Chicago, Nov. 19. "Relations Between the Finance Company and the Insurance Carrier" is the topic of Mr. Allen's address. He is the only insurance speaker on the program. H. A. Miller, assistant western manager of the North America, is a member of the program committee.

### Universal of Newark Reduction

The Universal of Newark has reduced its capital from \$1,250,000 to \$1,000,000. The change was effected by reducing the par value of shares from \$25 to \$20 each.

## AMERICAN INDEMNITY COMPANY GALVESTON

C. S. KUHN, Vice President

COMPLETE  
AUTOMOBILE PROTECTION  
FIDELITY  
AND  
SURETY BONDS

Desirable  
general agency  
contracts  
available in  
unallotted territory

SAFETY  
SATISFACTION  
SERVICE

Whatever any  
other companies  
do for their agents  
within the bounds of  
sound, ethical business  
and good underwriting  
practice, we will do.

FIRE  
WINDSTORM  
AUTOMOBILE INSURANCE

AMERICAN  
Fire & Marine  
INSURANCE COMPANY  
GALVESTON

E. C. FRENCH, Vice President



## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### RIOT AND CIVIL COMMOTION LINES

A recent dispatch from London stated that property owners in New York City are placing large amount of riot and civil commotion insurance in London Lloyds. J. J. Magrath of the New York department said that there is ample capacity to take care of all desirable business. The London dispatch stated that clothing makers in New York were seeking this protection from London Lloyds at comparatively high rates following the publication of official unemployment statistics. Mr. Magrath stated that if this be true it is probably because of the unsatisfactory situation which has prevailed among the workers in the clothing field for some time and companies admitted to the state are shying at it and turning down applications. Mr. Magrath said also that the Lloyds cover includes malicious mischief. Last year companies licensed in New York wrote approximately \$3,000,000 of premiums in strike and riot insurance the country over.

\* \* \*

### FIRE COMPANY STOCKS

Hundreds of local agents bought heavily of fire company stocks during the heyday of speculation for several years prior to October, 1929. Many have been forced to take substantial losses in consequence; that is, those who have sold their holdings. The shrinkage in the market price of fire insurance shares as a whole, should not be charged to any shortcoming on the part of the officials. Many of them appreciated that the stocks of their respective companies were not worth anything like market prices quoted some years ago, but were forced up in sympathy with the general market trend, aided and abetted by brokerage houses specializing in the sale of such securities.

Shares of well established and conservatively conducted fire companies offer as good a form of investment as any other type of first-class securities. They should be purchased, however, on an interest yield basis and held for the long haul. They are not of the speculative type. Those buying for quick turns will be disappointed, for the business of fire insurance does not lend itself to speculative values. At present market prices shares of some of the best of home fire companies can be purchased on an interest yield of anywhere from 3 to 6 percent, and as such offer a fine investment.

\* \* \*

### PREDICTS RATE INCREASE

Frank Cox, vice-president of Appleton & Cox, prominent marine underwriters of New York City, holds that under the rates now charged for tourists floaters, profit making by the companies on the line "is out of the question." In his opinion once the newly formed Inland Marine Underwriters Association gets underway at the beginning of the year, rates will be considerably increased.

\* \* \*

### HENDON CHUBB PRESIDENT

In a headline last week regarding the Inland Marine Underwriters Association, it was stated "Marshall Is President." R. T. Marshall is president of Albert Wilcox & Co. Albert Wilcox & Co. is employed as secretary and manager of the Inland Marine Underwriters Association. Hendon Chubb of Chubb & Son is the president.

\* \* \*

### INTEREST IN THE WORK

Local agents are taking increasing interest in the work of the public relations committee of the National Board and are using liberally the excellent material furnished by that body. The daily newspaper advertising is supplemented by display cards of the agents, who have found the tie-up decidedly effective. The Chicago Board is the most

recent of the local organizations to link its publicity displays with those of the National Board. W. W. Ellis, assistant to General Manager W. E. Mallalieu of the National Board, has told agency bodies in all sections what the public relations committee in endeavoring to accomplish through the medium of the daily press for a better understanding on the part of property-owners as to the value of stock fire insurance and the

measure of success that has attended the effort thus far. Some days ago he spoke before the Western New York Field Club at Rochester, and more recently addressed members of the New England Fire Insurance Exchange. His further schedule calls for a talk at the annual convention of the Connecticut Association of Insurance Agents at New Haven, Nov. 20.

\* \* \*

### VALUATION OF SECURITIES

In September last the federal government in fixing the limits which surety companies could write at the usual 10 percent adopted a ruling that instead of taking the valuation of securities on

the market basis as of Dec. 31 it would take the average of four three months periods, thereby considerably increasing the limits of quite a number of companies caught in the securities' crash.

Whether this will furnish a precedent for the New York and other insurance departments in the valuation of securities for annual statement purposes is an interesting speculation among company officials and it is understood the matter is likely to come up at the insurance commissioners' meeting in New York in December. Some officials are strongly in favor of it while others believe that valuations as of Dec. 31 will more nearly approximate actual values.

## Business is Good, Thank You!

Yes, business is good with the Ohio Farmers. It may not be as flourishing as we had hoped but year-end reports will indicate that 1930 has been a satisfactory year.

There will probably be no huge gain in surplus. However, the Ohio Farmers exists for a different purpose than to pile up dollars.

The chief aim of the Ohio Farmers since 1848 has been to provide sound indemnity for the public, to interpret standard insurance policies with a liberal spirit, to cooperate with the splendid body of local insurance men who represent the Ohio Farmers.

Judged by those standards, as well as by the financial results, the Ohio Farmers has had a good year, as usual.



## OHIO FARMERS INSURANCE CO.

Organized 1848

Le Roy

Ohio

The Ohio Farmers Insurance Company owns and operates the Ohio Farmers Indemnity Company, a casualty insurance running mate.



## THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; NORA VINCENT PAUL, Vice-President; WILLIAM A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

C. M. CARTWRIGHT, Managing Editor  
LEVERING CARTWRIGHT, Asst. Managing Editor  
FRANK A. POST, Associate Editor  
CHARLES D. SPENCER, Associate Editor  
DALE R. SCHILLING, Associate Editor

PUBLICATION OFFICE, 41946 Insurance Exchange, CHICAGO. Telephone Wabash 2704  
CINCINNATI OFFICE, 420 E. Fourth St., Telephone Main 5781, RALPH E. RICHMAN, Manager  
ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE  
80 Maiden Lane, Tel. John 1032  
GEORGE A. WATSON, Associate Editor

DES MOINES OFFICE  
716 Fleming Bldg., Tel. 4-8712  
R. E. HEATH, Resident Manager

SOUTHEASTERN OFFICE—ATLANTA, GA.  
1517 First National Bank Building  
R. J. McGEHEAN, Resident Manager

SAN FRANCISCO OFFICE  
105 Montgomery Street, Room 907  
Tel. Kearny 3054  
FRANK W. BLAND, Resident Manager

NEW ENGLAND OFFICE  
42 Clinton Ave., E. Weymouth, Mass.  
J. M. DEMPSEY, Resident Manager

PHILADELPHIA OFFICE  
412 Land Title Bldg., Tel. Rittenhouse 3654  
W. J. SMYTH, Resident Manager

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Associated  
Business Papers



National Publishers  
Association

### Important Result in Bank Issue

A FEW years ago the organized local agents who were making a fight on bank agencies being established felt a sense of discouragement because in some quarters their attitude seemed to elicit a decidedly unfriendly response from certain companies. Among the most insidious and sweeping influence from the banking standpoint in the field was the development of the insurance activities of the BANK OF ITALY. At one time this threatened to engulf not only California but other sections. The NATIONAL ASSOCIATION OF INSURANCE AGENTS was not endeavoring to disturb financial institutions that were already in the field and had agency attachments and had at least gained "squatters' rights." In some quarters the agency association was defied. In spite of obstacles the NATIONAL ASSOCIATION OF INSURANCE

AGENTS and its state units steadfastly adhered to its policy, viz., that financial institutions should not be appointed local agents where coercion was used on borrowers in the placing of insurance.

Now comes the heartening statement that the BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION of San Francisco is retiring entirely from the insurance field. This is the holding company of the BANK OF AMERICA and BANK OF ITALY. Furthermore, at the annual meeting of the WISCONSIN ASSOCIATION OF INSURANCE AGENTS it was announced that the WISCONSIN BANCSHARES CORPORATION is withdrawing from the insurance business. After all, organized effort does count. There is something in the momentum gained in making a fair and square contest on principle.

### Walter Webb Hits "Blind Buying"

WALTER E. WEBB, executive vice-president NATIONAL LIFE, U. S. A., at the meeting of the ILLINOIS ASSOCIATION OF INSURANCE AGENTS decried what might be called "blind buying." By that he meant yielding to the suggestion made from some quarters that people should buy articles whether they want them or not. In other words, go out and spend your money. This suggestion is being put out here and there and Mr. WEBB considers it decidedly unwise and fallacious economically. He said it is just as ridiculous to buy things that are not needed as it was to purchase stocks

at a tremendously high price from money borrowed at a much higher rate than the investment was earning.

Mr. WEBB's idea is that it is time that people began to save something, be economical, buy when they need an article, invest in a conservative way and get business on a solid and normal foundation. Merely buying something that one does not need stimulates business artificially. It will not last. It is no time, in Mr. WEBB's opinion, to follow strange gods of this character.

In our estimation Mr. WEBB's reasoning is sound.

### Easy to Misunderstand

It is so easy, very easy, to misunderstand, to misinterpret, to misjudge. Give everyone the benefit of a possible error, and discount your own observation liberally.

This advice is good for all of us—for you and the other fellow, because the very advice we give and apply to others is an injunction we may need ourselves.—Jerome Corwin.

## PERSONAL SIDE OF BUSINESS

A. B. Gile, Hanover, who was elected president of the New Hampshire Association of Insurance Agents last week, is a Dartmouth graduate and one of the best known and most popular younger agents in the state.

Owen D. Prior, president of the Standard Fire of Trenton, N. J., has had additional honor and responsibility thrust upon him through his election as a vice-president of the Capital City Trust Co., one of the progressive financial institutions of his city. That Mr. Prior is a figure in the financial and commercial life of Trenton, may be inferred from the subjoined list of his affiliations: President Wilbur Building & Loan Association, president Trenton Kiwanis Club, ex-president Trenton Chamber of Commerce, member state water policy commission, member Trenton and Carteret clubs, treasurer Trenton Country Club, a director McKinley Hospital, trustee Crescent Temple, vice-president and director of the Trenton-Mercer Area Boy Scouts of America, warden and treasurer All Saints Church. His insurance connections include membership on the executive committee of the National Board and a directorship of the Western Insurance Bureau.

Thomas G. Burch, president of Burch, Hodges, Stone, well known local agency of Martinsville, Va., has been elected to Congress from the Fifth Virginia district. Mr. Burch was founder of the agency, which was formerly known as Thomas G. Burch, Inc., and has been in operation for 20 years or more.

Malcolm F. Jones, Virginia state agent for the Dixie, with Richmond headquarters, will be married Nov. 15 to Miss May Woodall of Richmond. Mr. Jones is well known as a golfer, having recently won the championship of his city.

John R. Hampton, vice-president and general manager of the Home Fire of Little Rock, who recently completed 26 years with the company, was guest of honor at a dinner given by A. B. Banks, president. About 30 officers, department managers, state and special agents were guests.

Charles Evans, vice-president of the Home Fire, was toastmaster. Announcements of results of the 30-day business campaign held in honor of Mr. Hampton and cutting a large anniversary cake were included in the program. Mr. Hampton has been vice-president of the company since its formation in 1905. Several field men from Oklahoma, Texas, Louisiana, Mississippi, Alabama and Tennessee attended the dinner.

C. W. Hejda of Lindstedt-Hoffman Company of Manitowoc, Wis., was elected president of the Kiwanis Club of his city. Mr. Hejda is active in his community. He was formerly with the Hartford Fire and then left to go in the local business.

H. Churchill Smith, grand custodian of the goslings of the Blue Goose grand nest, has been ill at his home in Montreal for the past three weeks with a severe attack of pleurisy. His condition is now improving.

F. C. Gieb, Newark, New Jersey state agent for the Automobile, was killed in an automobile accident last week. Mr. Gieb, had been in Trenton visiting agencies and was detained until late. Nearing his home in Mountaintop, N. J., on his return, his automobile suddenly struck a safety isle in Glen Ridge, overturning the car and killing Mr. Gieb instantly. He had been in the New Jersey field for about 10 years. Previous to that he was in Hartford and West Vir-

### Councillor



ALLAN I. WOLFF

Allan I. Wolff of Klee, Rogers, Loeb & Wolff, Chicago local agents, has been chosen by the directors of the Illinois Association of Insurance Agents to represent Illinois on the national council of the National Association of Insurance Agents. Mr. Wolff is a former president of the Chicago Board and has become active in the work of both the Illinois and national bodies.

ginia field. At one time he was with the brokerage firm of Hilliard & Co., in New York.

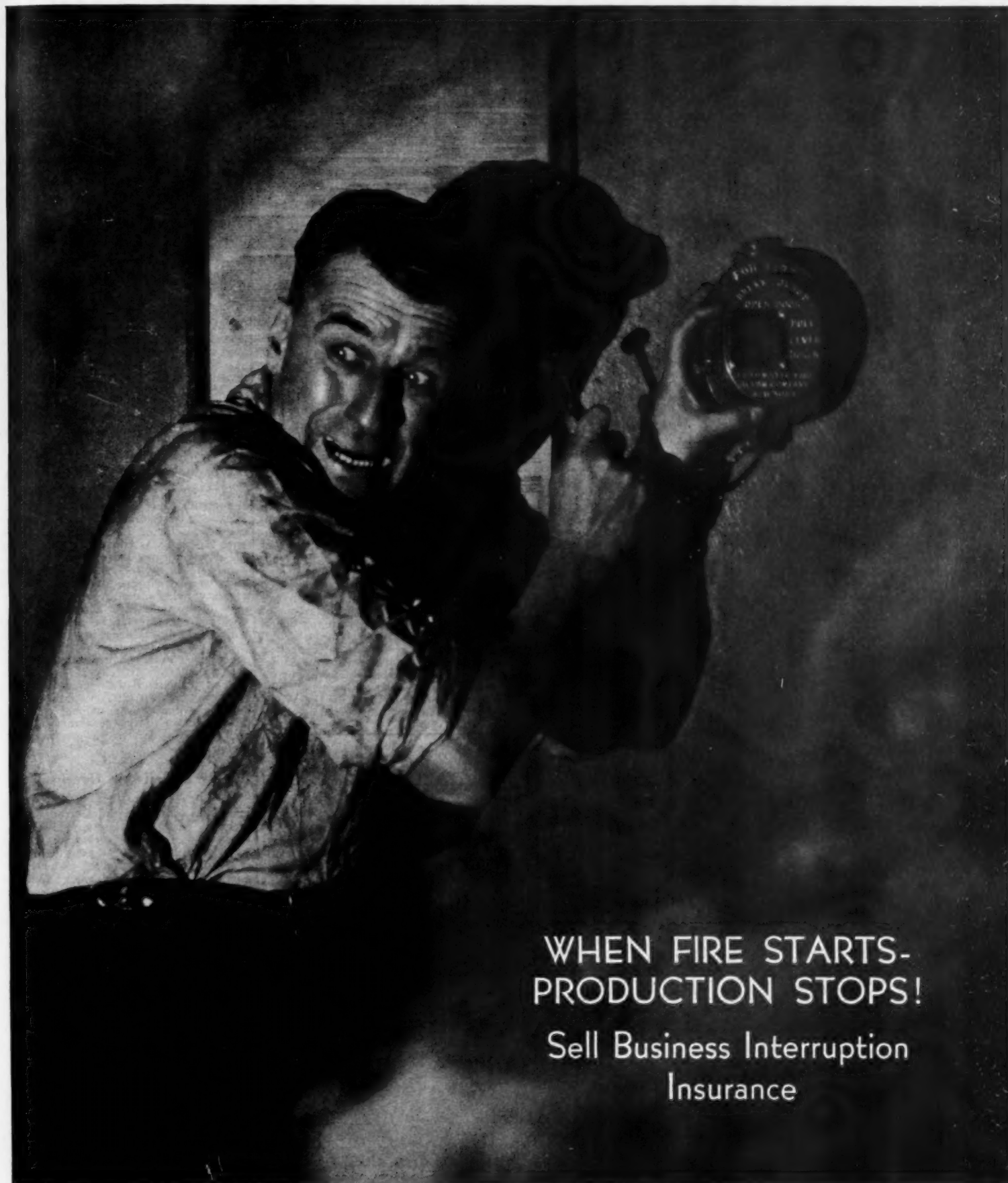
A number of Illinois field men, local agents and other friends of Charles T. Wright of Chicago, veteran special agent of the Great American, will give him a complimentary dinner at Kankakee, the evening of Jan. 13 in honor of his 50th anniversary with the Great American. Mr. Wright started with the western department of the Great American Jan. 13, 1881, as a clerk in the supply department. He occupied a number of positions and later was sent into the field. He was the ninth man employed by the company at Chicago under the late Judge Cary, who was manager. The committee in charge of the event consists of W. C. Sonnen, Liverpool & London & Globe, chairman; J. T. Harding, Millers National; A. R. Rathslag, Home; John Chickering, Sun; Rodney Wiley, Atlas, and S. E. Moisant, Illinois Association of Insurance Agents.

John W. Mairbanks, a Civil War veteran who had talked with President Lincoln in the White House and who for 52 years has been engaged in the insurance business with a large agency in Westboro, Mass., died last week, aged 87.

C. D. Atkinson, business manager of the "Atlanta Journal," who died suddenly while attending the convention of the American Newspaper Publishers Association at Sea Island Beach, Ga., Monday, was a brother of U. S. Atkinson, secretary Public Fire of Newark.

O. E. Schaafer, president of the Westchester Fire, is home from a trip to Mexico, whither he went to look over the interests of such of the Crum & Forster companies as are writing in that country.

J. Lester Parsons, president of the United States Fire, returned to his desk Monday after spending some days at French Lick Springs, Ind., recovering from a slight illness.



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PRODUCTION STOPS!

Sell Business Interruption  
Insurance

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

*Eighty Maiden Lane,*

THE FIDELITY AND CASUALTY COMPANY

*New York, N.Y.*

ERNEST STURM, Chairman of the Board  
PAUL L. HAID, President  
ERNEST STURM, Chairman of the Board  
WADE FETZER, Vice Chairman  
PAUL L. HAID, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL



# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

### Interest in the Boundary

#### District That Will Be Used in Cincinnati in the Work of the Union Terminal

CINCINNATI, Nov. 12.—Companies and agents have been following the work of the Union Terminal Company of Cincinnati and have been particularly interested to know exactly what territory in the district of the railroad terminal is to come under control of this company. It has just been announced that the following is the boundary: Beginning at the corner of 8th and McLean, north on McLean to Gest street; east on Gest to Dalton avenue; north on Dalton to Clark street; east on Clark to Harriet; north on Harriet to Hopkins street, jog west to President place; north on President place to Kenner street; west on Kenner to McLean avenue; north on McLean to Duck street; north-west on Duck to Harrison avenue; northeast on Harrison to Valley avenue; north on Valley to Queen City avenue; east on Queen City to Spring Grove avenue; north on Spring Grove to a point about midway between Draper and Alfred street; due west across railroad to Mill Creek; south on Mill Creek to Eighth street; east on Eighth to the point of beginning at McLean avenue.

Companies and agents have been interested in this territory because it is surmised that most of the property in the territory will eventually be torn down. The terminal company has also purchased property on the west side of Mill Creek but this will not be used in the immediate terminal project but will be resold. Some of the individual railroads have also purchased property in the neighborhood.

### Change in a Toledo Agency

#### W. R. Medaris Disposes of His Interest to C. F. and C. L. Medaris Who Now Control

The interest of W. R. Medaris in the C. F. Medaris Company of Toledo, O., has been purchased by C. F. Medaris and C. L. Medaris. W. R. Medaris' connection with the agency has been severed. He has become resident vice-president of the Standard Surety & Casualty of New York with offices at Cleveland. K. S. Vance, assistant treasurer, becomes treasurer and head of the insurance department. C. F. Medaris is president and treasurer and C. L. Medaris is secretary. W. R. Medaris was vice-president and general counsel.

### Son Assumes Charge

A. E. and J. A. Eoff, Agents, large Findlay, O., agency representing the Hartford Fire and Hartford Accident, is being continued as the A. E. & J. A. Eoff Agency following the death of A. E. It is headed by J. A., son of A. E., who has been associated with his father in the agency for a number of years and has built a strong and experienced force.

### Insurance History Told

HUNTINGTON, W. VA., Nov. 12.—At Friday's meeting of the Huntington Board, in line with the educational program to be carried out this winter, Gordon Merry gave an interesting talk on "The History of Stock Insurance." These meetings are being attended with

much more enthusiasm than has been shown in the past.

### Ira C. Farley's Change

Ira C. Farley, formerly of Davis & Farley of Cleveland, is now associated as vice-president in the firm of Thain-Dusseau-Price, in the Newman Stern building. The future name of the cor-

poration will be Thain-Dusseau-Price-Farley. C. F. Thain is president; Ira C. Farley, vice-president; R. K. Dusseau, treasurer, and George W. Price, secretary.

The agency is the general agent for the Great American Indemnity and writes all lines of insurance and surety bonds. Mr. Farley was one of the originators of the Davis & Farley agency over 30 years ago, and is one of the best known men in Cleveland.

Greenfield, O., was inspected this week under the auspices of the Fire Prevention Association of Ohio and Fire Marshal Gill.

## CENTRAL WESTERN STATES

### Michigan Editor in Attack

#### Protest Use of Fire Prevention Questionnaires in Schools—Vernor Takes Action

Officials in fire prevention work are somewhat amused and somewhat vexed at an editorial, "Stupid Propaganda," which appeared recently in the Jackson (Mich.) "Tribune." The editorial condemned the use of fire prevention questionnaires among Jackson school children as being "obviously insurance propaganda of the most stupid sort." "Can you imagine any normal child answering these questions with any degree of intelligence?" the editorial concludes, "We don't blame the insurance folk for wishing to check the fire menace and thus save money, but why should they, more than any other group, work the schools? A school's business after all is to educate the young and not to allow itself to be victimized by a lot of poppy-cock propaganda."

The editorial asserts that the ques-

tionnaires are being submitted to children by the Michigan Inspection Bureau in conjunction with the Jackson fire department.

#### Vernor Takes Action

R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, has submitted the editorial to A. L. Gale of Gale & Pietsch, the advertising firm conducting the national cooperative fire insurance advertising campaign. Mr. Vernor points out that the blanks referred to in the editorial have been used regularly in thousands of schools for 10 years and never before has there been the slightest adverse criticism of them. The Chicago "Daily News," Mr. Vernor adds, used these identical blanks for its own fire prevention campaign with the name of the "Daily News" printed on the blank.

The blanks, Mr. Vernor declared, did not come from the Michigan Inspection Bureau, but were furnished to the Michigan state fire marshal's department on the request of state authorities. The fire prevention department of the Western Actuarial Bureau has furnished 600-

000 of these blanks since Aug. 1 to various safety committees, chamber of commerce committees, fire chiefs and other interested organizations.

"The injustice, untruthfulness and sarcasm of this supposed literary masterpiece should not go unchallenged," Mr. Vernor concludes. The blanks at issue contain entries for information about the presence of rubbish in the various parts of the home; about floors under stoves being protected by metal; how ashes are disposed of; the material of which the roof is constructed, and other elementary household facts.

### Michigan Field Meeting Held

C. F. Thomas, secretary of the Western Underwriters' Association, and W. N. Ackenbach, manager Aetna Fire in Chicago, were the guests at the meeting of the Michigan Fire Underwriters Association in Detroit Friday, with President F. D. Row, Springfield Fire & Marine, presiding. A resolution on the death of Joseph E. Curtin, for many years assistant secretary of the Detroit Fire & Marine, and an active member of the association, was expressed.

### Weadock Heads Liaison Group

LANSING, MICH., Nov. 12.—Although he could not be present, G. Leo Weadock of Saginaw, former president of the Michigan Association of Insurance Agents, was chosen as chairman of the newly formed liaison committee, designed to bring together agency forces and company interests in the fire and casualty field, at an organization meeting of the committee here. Mr. Weadock's great interest in the movement which has crystallized in formation of the committee is taken to guarantee his acceptance of the chairmanship.

Walter Halla of Kelly-Halla-Peacock, Detroit, a member of the committee representing the Detroit Association of Insurance Agents, was named secretary. The selection of the next meeting date and place was left to the general chairman.

### Detroit Railways Overinsured

DETROIT, Nov. 12.—J. R. Sutton, insurance adviser to the Detroit department of street railways, and Frank A. Gorman, president of Gorman & Thomas, who received \$9,050,000 worth of fire coverage on departmental property, in a joint statement last week admitted that the Detroit street railway is considerably overinsured, concurring with Mayor Frank Murphy, who made a similar statement.

Howard C. Wade, city comptroller, and Joseph E. Mills, commissioner of purchases and supplies, are now investigating insurance coverage on city property with a view to making recommendations that will reduce the premiums paid, Mr. Sutton states.

### Will Inspect Taylorville, Ill.

Sponsored by the association of commerce, the Illinois Fire Prevention Association will conduct an educational and inspection campaign in Taylorville, Nov. 19. The following organizations are co-operating in the activity: Rotary, Lions, Triangle and Business and Professional Women's Clubs and the American Legion. Harry K. Rogers of the Western Actuarial Bureau will make the principal address at the public meeting. Arrangements have been made to have representatives of the fire prevention association talk to the pupils of the high and junior high schools during the forenoon.

It appears that there will be but two insurance men in the house of representatives in the coming Indiana legislature, Thomas Hawkins of Shelbyville and Francis Salata of South Bend, and one in the senate, Roscoe Martin of Logansport.

## Retiring and New Chiefs



F. A. TEDFORD, Lafayette, Ind.  
New President



A. L. JENKINS, Richmond, Ind.  
Retiring President

F. A. Tedford, secretary and treasurer of the Mitchell Agency of Lafayette, Ind., was elected president of the Indiana Association of Insurance Agents at the annual meeting in South Bend. Associated with Mr. Tedford in the Mitchell Agency are President E. W. Hoover and Vice-President F. B. Lux. The agency is the consolidation of Dresser & Mitchell, the Mitchell agency, Brockenbrough agency, John Wagner Investment Company, Godman agency and Severson agency.

Atwood L. Jenkins of Richmond, who retired as president at the recent meeting, became prominent in the National association conventions. He is resourceful in suggestions and is regarded as one of the big minded local agents of the middle west.

# LOYALTY GROUP

JANUARY 1, 1930 STATEMENTS

NEAL BASSETT, President  
A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President and Treasurer  
ARCHIBALD KEMP, 2d Vice-President

## FIREMEN'S INSURANCE COMPANY

OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$60,811,870	\$14,495,225	\$18,777,000	\$27,539,645	\$46,316,645

HENRY M. GRATZ, President  
A. H. HASSINGER, Vice-President

NEAL BASSETT, Chairman of Board  
WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President  
ARCHIBALD KEMP, 2d Vice-President

## THE GIRARD F. & M. INSURANCE CO.

\$ 6,252,740	\$ 3,401,657	\$ 1,000,000	\$ 1,851,083	\$ 2,851,083
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NEAL BASSETT, President  
A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President  
ARCHIBALD KEMP, 2d Vice-President

## MECHANICS INSURANCE CO.

\$ 5,078,813	\$ 3,335,593	\$ 600,000	\$ 1,143,219	\$ 1,743,219
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NEAL BASSETT, President  
A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President  
ARCHIBALD KEMP, 2d Vice-President

## NATIONAL-BEN FRANKLIN FIRE INS. CO.

\$ 5,233,116	\$ 3,070,630	\$ 1,000,000	\$ 1,162,486	\$ 2,162,486
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NEAL BASSETT, President  
A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President  
ARCHIBALD KEMP, 2d Vice-President

## SUPERIOR FIRE INSURANCE CO.

\$ 5,073,876	\$ 3,061,200	\$ 1,000,000	\$ 1,012,676	\$ 2,012,676
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W. E. WOLLAEGER, President  
A. H. HASSINGER, Vice-President

NEAL BASSETT, Chairman of Board  
WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President  
ARCHIBALD KEMP, 2d Vice-President

## CONCORDIA FIRE INSURANCE CO.

\$ 5,564,987	\$ 3,078,063	\$ 1,000,000	\$ 1,486,923	\$ 2,486,923
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CHARLES L. JACKMAN, President  
JOHN KAY, Vice-President

A. H. HASSINGER, Vice-President

WELLS T. BASSETT, Vice-President

NEAL BASSETT, Vice-President  
ARCHIBALD KEMP, 2d Vice-President

## CAPITAL FIRE INSURANCE CO.

\$ 652,382	\$ 13,200	\$ 300,000	\$ 339,182	\$ 639,182
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CHAS. H. YUNKER, President  
A. H. HASSINGER, Vice-President

NEAL BASSETT, Chairman of Board  
WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President  
ARCHIBALD KEMP, 2d Vice-President

## MILWAUKEE MECHANICS' INSURANCE CO.

\$13,045,126	\$ 7,886,590	\$ 2,000,000	\$ 3,158,536	\$ 5,158,536
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J. SCOFIELD ROWE, President  
J. C. HEYER, Vice-President  
JOHN KAY, Vice-President

NEAL BASSETT, Chairman of Board  
EARL R. HUNT, Vice-President  
A. H. HASSINGER, Vice-President

W. M. BURTON, Vice-President  
S. K. McCLURE, Vice-President

## METROPOLITAN CASUALTY INSURANCE CO.

\$14,945,383	\$10,320,195	\$ 1,500,000	\$ 3,125,187	\$ 4,625,187
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C. W. FEIGENSPAN, President  
E. C. FEIGENSPAN, Vice-President  
A. H. HASSINGER, Vice-President

NEAL BASSETT, Chairman of Board

W. VAN WINKLE, Vice-President  
JOHN KAY, Vice-President  
WELLS T. BASSETT, Vice-President

## COMMERCIAL CASUALTY INSURANCE CO.

\$14,741,017	\$ 9,712,813	\$ 2,500,000	\$ 2,528,203	\$ 5,028,203
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TOTAL OF ASSETS	TOTAL OF LIABILITIES	TOTAL NET PREMIUMS
\$131,779,040*	\$58,562,251	\$49,400,938

### WESTERN DEPARTMENT

844 Rush Street, Chicago, Ill.

H. A. CLARK, Manager

Ass't Managers

H. R. M. SMITH

JAMES SMITH FRED W. SULLIVAN

### EASTERN DEPARTMENT

10 Park Place

Newark, New Jersey

### CANADIAN DEPARTMENT

461-467 Bay St., Toronto, Canada

MASSIE & RENWICK, Ltd., Managers

### PACIFIC DEPARTMENT

San Francisco, California

60 Sansome Street

W. W. & E. G. POTTER, Managers

Ass't Managers

JOHN R. COONEY CHAS. H. GATCHEL

\*Capital and Surplus of affiliated companies owned by Firemen's, appear in gross assets of both

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL



## THE A. B. C.

*what it is and what it stands for*

**T**HE A. B. C. (Audit Bureau of Circulations) was started for and exists for the advertiser. It gives him the facts about the circulation which he buys. It is governed by advertisers through their majority on the Board of Directors which is composed of thirteen national advertisers, two advertiser's agents, four newspapers, two magazines, two farm papers, and two business papers. As you can see, the majority are advertisers. They make all the rules governing audits and have complete control over the auditors.

The members are cooperating with the object of standardizing circulation data and thereby placing the buying of advertising on a basis of known value. It has established the principle of honesty in circulation and placed the buying and selling of advertising on a sound, business-like basis.

The publisher makes reports to the Bureau, showing total circulation and details of distribution, also subscription rates and other data regarding the QUALITY of circulation. These statements are audited by an expert from the Bureau.

So you can readily see that an A. B. C. report gives complete and reliable information and an advertiser could have no better protection than an A. B. C. report on all publications in which he advertises.

THE NATIONAL UNDERWRITER is a member of the A. B. C. and would be pleased to submit a copy of the latest report.

## The National Underwriter

E. J. WOHLGEMUTH  
President



C. M. CARTWRIGHT  
Managing Editor

*The leading weekly insurance newspaper*

## STATES OF THE NORTHWEST

### Senator Boldt's Bogey Man

Head of Legislative Investigating Committee Sees Dire Danger in the Insurance Field

MADISON, WIS., Nov. 12.—Senator Boldt of Sheboygan, chairman of the fire insurance legislative investigating committee, declared that the state must assume a genuine control over fire rates. He said the changes in the insurance business are rapid. Competition for large preferred risks have become very keen. He declared that some companies are writing the most desirable risks at less than cost price. If this continues, Senator Boldt declares, fundamental changes in the methods of doing insurance business are inevitable.

#### Sees Peril in the Groups

Senator Boldt said that one of the big factors that is wielding a tremendous influence is the grouping of companies into fleets. He stated that they control the various activities such as rating bureaus, Underwriters' Laboratories, etc. He feels that there is every indication that the present situation will result in revolutionary changes unless the present tendency toward centralization in control can be checked. He said that the smaller companies will be forced out of business. When control is lodged in a few hands, Senator Boldt declares, the public has but little to say.

#### Agents Stand on the Precipice

Another charge that Senator Boldt made is that local agents will be entirely eliminated if the present policy continues. He said that some of the large companies have already discarded local agents, although he does not give any names. He said that these companies, therefore, are able to write at lower rates and are steadily increasing their business. It would be interesting in this connection to know what companies have taken this step. The local agents, he said, have lost most of their functions. The chain development in fire business, Senator Boldt contends, is most desirable.

### Wisconsin Prober Reelected

MILWAUKEE, Nov. 12.—Assemblyman Carlton Mauthe of Fond du Lac, author of the resolution authorizing an interim committee to investigate fire insurance rates, was re-elected. Senator Herman Boldt, Sheboygan Falls, and Louis Fellenz, Fond du Lac, both members of the fire insurance investigating committee, are holdovers. Assemblyman Harley Martin of Richland Center, another member of the investigating committee, was defeated in the November election, and Assemblyman Archie McDowell did not run for reelection.

### Bureau Revises Rules

MILWAUKEE, Nov. 12.—The Wisconsin Inspection Bureau has issued revised rules governing the writing of fire department service charges and smoke damage insurance. When liability for fire department service charges is assumed it is to be included as a separate item and the same fire rate, or average rate, that applies to the risk covered under the policy must be charged for each \$100 of insurance.

According to the new rule, insurance against loss or damage caused by smoke from stationary heating apparatus using oil for fuel may be written only on or in dwellings and apartment houses in the same policy which covers the direct loss or damage by fire when the amount covering smoke damage is equal to that covering against fire. When this hazard is assumed, the additional premium charge is to be \$.04 per

### Committee Head



W. J. TUCKER, Beloit, Wis.

W. J. Tucker of Beloit, Wis., who was elected chairman of the executive committee of the Wisconsin Association of Insurance Agents, entered the business in 1917 specializing in all its branches. Mr. Tucker is the sole owner of his agency and employs no solicitors. It is an exclusively insurance office, not having any other attachment. Mr. Tucker was instrumental in organizing the Beloit Insurance Underwriters Association in 1924, became its first president and continued in that office for three years. Since that time he has been vice-president. The Beloit association has 36 members. Mr. Tucker is an organization man and joined the Wisconsin Insurance Federation when it was organized.

annum per each \$100, and a minimum of \$3.00, irrespective of term, and a supplemental contract must be used.

### Kallgren Elected President

FARGO, N. D., Nov. 12.—H. O. Kallgren, Home of New York, Fargo, was elected president of the North Dakota Fire Prevention Association at its annual meeting. Walter Curtis, Western National, Fargo, and J. C. Nippolt, Aetna Fire, Fargo, were named vice-president and secretary.

Inspection of 474 risks by the North Dakota association in the fiscal year just closed revealed 2,807 defects. Joseph McCann, Great American, Fargo, retiring president, said. Four towns were inspected during the year: Ellendale, Edgeley, Jamestown and Williston. From 72 to 86 percent of the defects have been corrected in accordance with recommendations from the association.

### Plan Eau Claire Inspection

The Wisconsin State Fire Prevention Association will inspect Eau Claire Nov. 20-21. A mass meeting will be held Thursday night and a dinner and meeting of business men Friday night, at the close of the inspection. Richard E. Vernon of the Western Actuarial Bureau, Chicago, will be the principal speaker.

### Will Inspect Beloit, Wis.

Engineers of the National Board will inspect Beloit, Wis., which was last inspected in 1920.

In a recent report Frank R. Daniel, chief engineer of the Wisconsin Inspection Bureau, indicated that some of the Beloit fire fighting apparatus is very much out of date, and it is expected that

recommendations will be made for increasing its fire fighting efficiency.

#### Wisconsin Notes

Funeral services were held at Kenosha, Wis., for **John H. Wells**, 55, for some time a member of the Wells & Joachim agency. Mr. Wells had been in ill health for several months.

The fire insurance patrols of the Milwaukee Board in October answered 147

alarms and 20 special duty calls, traveling 440 miles and spending almost 119 hours on fire duty. The patrols spread 666 stock covers and 13 roof covers.

**George Kuhn**, with the Kansas City Life in Wisconsin for the last eight years, has become a member of the firm of Parsons, Spargur, Kuhn, Inc., Antigo, Wis., of which he is secretary-treasurer. It was formerly known as the Parsons agency. Mr. Kuhn continues as district manager for the Kansas City Life for 16 counties.

## IN THE MISSOURI VALLEY

### Object to Dating Back Plan

**Kansas City Agents Protest Against Collecting the Rate Increase From June 1**

KANSAS CITY, MO., Nov. 12.—Agents here are fairly unanimous in rejecting the requests of some companies that they make the 16½ percent rate increase effective as of June 1. Following the customary practice of agencies and writing their June business in May, agents feel that it would be poor business ethics to return to customers and ask for an additional 16½ percent on policies already in effect before the rate increase even was announced.

#### Puts Doubt in Mind

Even those customers who would probably pay the increase on June policies will wonder when they will be asked again to pay additionally on policies one, two or three months old. Although some agencies are confident they could ask for, and get, the increase on June policies written in May, they believe they would be building up a doubt in the customers' minds which would be inimical to long continued dealings.

Agents feel that companies either should have given notice of the increase at least by May 1, or postponed the effective date of the increase to July 1. Companies writing on the old schedule, 16½ percent below that now followed by 157 companies writing business in Missouri, are advertising the fact daily.

#### Judge Reeves' Announcement

The refunding of 10 percent reductions in insurance rates in Missouri will have no bearing on the continuance of the petition of 157 stock companies in their efforts to secure an increase of 16½ percent in rates, according to an announcement by Judge Reeves in the United States district court here. In answer to the petition in the federal court, the state contended that no action could be taken toward an increased rate until refunds were all paid. Judge Reeves'

opinion grants companies the right to continue their fight for the increase.

### Farm Central Mutual Quits

**Hastings Company Arranges to Reimburse Its Outstanding Liability in the Farmers Mutual**

OMAHA, Nov. 12.—The board of directors of Farm Central Mutual of Hastings, Neb., has notified members they have decided it is to the best interests of all to reinsure all its policies and retire from business. A reinsurance contract has been made with W. E. Straub, president of the Farmers Mutual of Nebraska, to take over the liability subject to approval of the members of the Farm Central Mutual at a special meeting called for this purpose Dec. 10.

#### Report Heavy Farm Losses

SIOUX CITY, IA., Nov. 12.—In the past five years companies writing farm insurance report that they have paid \$1.07 in losses for every dollar they have taken in for this form of protection. This was reported at a meeting in Sioux City attended by about 35 representatives of the America Fore group. The annual farm loss in the United States reached the startling sum of \$100,000,000.

J. R. Wilbur, vice-president; I. D. Goss, farm department manager; J. J. Lanone, farm agency superintendent; D. C. Curran, state agent, and S. J. Mak, special agent, were the principal speakers.

#### State Fund Advocate Defeated

TOPEKA, KANS., Nov. 12.—W. A. Doerschlag, Hess county legislator and state hail fund advocate, was defeated for reelection. Mr. Doerschlag was the only member of the legislature who had made a study of hail insurance lines in other states and Canada and was the principal advocate of the state hail fund in past sessions.

## STATES OF THE SOUTHWEST

### Revised Texas Manuals OK'd

**Some Casualty Rates Increased Although Private Car Rates Intact—Fire and Theft Lower**

AUSTIN, TEX., Nov. 12.—The Texas board of insurance commissioners has approved the revised fire, theft, collision and miscellaneous coverage insurance and the automobile casualty insurance manuals, which are now effective.

Some casualty rates have been raised, the former rates being entirely inadequate, although public liability and property damage rates on private passenger automobiles were not changed. In the main the level of the fire rates on passenger and commercial cars, and the theft rates outside the larger cities, were lowered. The theft rates in the larger cities remain practically the same.

The board has put into effect the part of the law providing for automobile insurance dealers and others with reference to experience rating, merit rating,

and fleet rating, by approving plans and formulae with reference thereto applicable alike to all companies writing insurance in Texas and risks that may be affected thereby.

#### Simplify Manuals

The manuals have been simplified in that all property damage coverage has been eliminated from the fire manual and all collision coverage eliminated from the casualty manual. The age groups for fire and collision have been reduced from four to two, and the commercial automobile fire and theft rate tables have been simplified from approximately 47 to 3 in number.

The fire manual includes an actual value section showing the exact amount of premium for the various fire, theft, and tornado actual value coverages accurately figured instead of furnishing merely a formula requiring the agent to figure the actual value premiums applying to the numerous individual cars.

The age limit of automobile drivers in public liability and property damage insurance hazards has been reduced from



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**P**ERHAPS the hardest part of your job is adapting your manner of approach to the peculiarities of each individual.

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The special agents and executives of this company stand ready to help you with your sales problems as well as the technical details of your business.

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59 MAIDEN LANE



NEW YORK CITY



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**LOCAL** agents who place their business through a general agency do not fear losing business through delays resulting from correspondence with distant home offices. They know that a general agency located near by is especially organized to give them immediate service. Problems that ordinarily would have to be referred to the home office for settlement can be promptly discussed and settled without any delay whatsoever. Such speedy and personal co-operation makes local agents like to place business through a general agency.

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## THE NETHERLANDS INSURANCE COMPANY OF

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16 to 14 years. The basic limit for property damage for any one accident was increased from \$1,000 to \$5,000. These two changes increase the benefits to the public without corresponding increases in the rates.

Commercial cars with a load capacity of 1½ tons were placed in the "light" car class instead of "medium" as heretofore classified, with a subsequent reduction of rates for public liability and property damage insurance. Several of the plate glass rates were reduced, one reduction being on closed private passenger cars.

A number of new coverages were added to those now being written, damage by falling aircraft, towing, and \$15, \$25, \$75 and \$150 deductible collision coverages. In most instances the new collision coverages will give to the public a material decrease in rates.

A rule was adopted whereby farmers, farm operators, or farmers' cooperatives may purchase quarterly, semi-annual or annual policies. This lightens the burden on the farmer desiring to carry insurance on his passenger automobile or his truck. Under the former manual rules, all policies had to be written for one year (unless written on the high short rate basis) with the entire premium payable in advance, except on automobiles insured under a compulsory city ordinance or state law, or where the premium amounted to over \$300.

### Tarver Recommends Changes

Would Prohibit Commissions on Gross Premiums Between Carriers and Attorneys-in-fact

Commissioner Tarver of Texas in his annual report makes the following suggestions to improve the insurance laws:

1. That all contracts between insurance carriers and attorney-in-fact or managers providing for a straight commission on the gross premiums collected be prohibited. It is an old story "that it is unwholesome for people to transact business across the table with themselves," says Commissioner Tarver.

2. That changes be made in the statute so as to specifically define the groups that may be written in compensation insurance matters.

3. That all non-resident companies doing business in Texas be required, as

is now required of non-resident fire companies, to put up a bond with the insurance department to guarantee the fulfillment of their policy contracts with policyholders.

4. To place additional restrictions on the requirements relative to agents' licenses.

5. The passage of a law authorizing cancellation of a resident insurance company's license if it does business in another state without being licensed.

6. Laws to require foreign assessment companies or associations writing life or casualty insurance to pay an occupation tax.

7. The passage of a statute prohibiting the operation of any kind of insurance business that does not qualify under Texas laws.

### Commission Case Continued

DALLAS, TEX., Nov. 12.—The court of civil appeals at Austin has taken under advisement the arguments in the Commercial Standard's case, appealed from the decision of the Travis county district court, in which the right of the state board of insurance commissioners to fix the commissions paid fire insurance agents in Texas at 20 percent of the premiums was upheld. It is expected a decision will be given in a short time.

### Golf Prizes Awarded

OKLAHOMA CITY, Nov. 12.—J. E. Wilkinson, Oklahoma representative of Trezevant & Cochran, was proclaimed champion of the handicap Blue Goose golf tournament at a stag party and was presented with a silver loving cup. J. A. Bosdett, state agent Royal, was runner-up. Ray Maxwell, Norwich Union, was low medalist, and Millard Bocher, America Fore, was given the consolation prize.

Oliver H. Corbett, former office manager of the Security National at Galveston, pleaded guilty to one of three indictments charging him with embezzlement of funds of the company, and was given a five-year suspended sentence. The other two indictments are to be dismissed.

Murphy Andrews, former Arkansas representative of W. L. Nelson & Co., Memphis general agency, has been appointed insurance officer of the Fidelity Investment & Mortgage Company, Little Rock, Ark.

## IN THE SOUTHERN STATES

### Acting as the Distributors

Vice-President Quaid of the Southern Fire Envisages Agents as Marketing a Commodity

William Quaid, executive vice-president of the Southern Fire, in his talk at Greensboro at the North Carolina Insurance Days celebration said that he looked upon the great insurance companies as a factory manufacturing insurance at a high speed, mass production scale, which means that it is put out at a minimum cost. Companies manufacture and sell no less than 20 different kinds of insurance with many variations of these kinds. Mr. Quaid said he often thought of agents not so much as agents as distributors of insurance products to whom the companies shipped their stuff unassembled. It is the job of the distributor not alone to analyze the needs of a customer but to sell those needs and then assemble the products.

#### Must Service the Product

Further, without additional charge the distributor is to service that product day and night for the length of time that the commodity exists, be that one, three or five years. The actual selling represents but a small part of what the dis-

tributor does for his commission. Mr. Quaid said that he was discussing insurance with a large retail concern and found that it had some 700 policies written by 132 agents and brokers. He said that the absurd part of this kind of buying is that this assured thought it was buying insurance when, as a matter of fact, it was buying or trying to buy, good will. If a concern of this kind bought the rest of its merchandise on any such basis it would not be very long before it would be out of business.

Mr. Quaid said that as a buyer he would first look for an agent or distributor who was thoroughly conversant with all branches of insurance and second, he would see that this agent represented the best kind of insurance. In the next place he would continue to look after and service the insurance that he had sold so long as it existed.

### Laundries Can't Issue Policies

NEW ORLEANS, Nov. 12.—The Louisiana Insurance Commission has authority to prevent laundry and dry cleaning companies as well as rug cleaning and storage companies from issuing insurance policies against loss or damage, according to a ruling by Attorney-General Percy Saint to R. M. Walmsley, chairman of the insurance commission. The attorney-general was informed that the companies either assume liability for losses, or they have the prop-

erty insured against loss or damage and charge the customers a small fee to cover the insurance.

"The Louisiana insurance commission would not have the authority to prevent any one engaged in the storage business from assuming all losses by fire or otherwise, but it has the authority to prevent such a company from doing an insurance business," said the ruling.

#### Louisiana Asks Expense Data

NEW ORLEANS, Nov. 12.—The Louisiana insurance commission has addressed a letter to all stock fire companies operating in Louisiana requesting this data: (1) An analysis of the percentage figure representing the Louisiana proportion of the expenses of the company for each of the past five years: 1925-1929; (2) analysis of the percentage figure representing nation-wide expense or, in other words, the proportion that the general expense of the company bears to the total nation-wide income; (3) an analysis of the expense percentage figure showing comparisons by states for each of the subdivisions, or accounts, into which the company has separated this expense figure, such as taxes, commissions paid agents, etc.

#### Continue Virginia Committees

RICHMOND, Nov. 12.—T. H. DeGraffenreid, president of the Fire Insurance Field Club of Virginia, announces that the same committees which served last year in furtherance of the National Board's publicity campaign will continue to function the coming year, due to the fine way in which they acquitted themselves the past year.

#### Combs Made Chief Examiner

Earl B. Combs, who has been doing examining work for the Virginia insurance department for the past year or more, has been promoted to chief examiner succeeding Joseph P. Baldwin, who is now with the Union Life of Richmond, of which Col. Joseph Burton, former insurance commissioner, is president. Mr. Combs joined the department as assistant rate clerk several years ago.

#### Many Who Can't Pay Uninsured

BIRMINGHAM, ALA., Nov. 12.—Birmingham agents believe that more property is now without insurance than

for the past 10 years. Agents have lopped off many policyholders for non-payment of premiums and in many instances they have been unable to obtain credit elsewhere. Agents are anxious for business but they are not particularly keen about extending further credit facilities. Many who ordinarily carry fire and tornado policies are without protection on account of inability to pay. The same is true of automobile insurance.

#### E. D. Tupper Enters Firm

ATLANTA, Nov. 12.—E. D. Tupper has been made secretary-treasurer of the Smith-Winn agency. Mr. Tupper is a son of the late S. Y. Tupper, who was southern manager of the Queen for more than a quarter of a century, and is a brother of S. Y. Tupper, the present southern manager for the Royal group. Mr. Tupper for many years was special agent in Virginia for the Home of New York.

#### Urges State Insurance Fund

The Richmond, Va., "News Leader" which came out recently in favor of state unemployment insurance, is now advocating state insurance on public property. In an editorial it says that Virginia would years ago have adopted a plan of carrying its own insurance if bills for that purpose introduced at successive sessions of the general assembly had been pushed with any zeal. It points out that Richmond is now building up an insurance fund with a view of carrying its own insurance and says that there is no reason why the state can not do likewise.

#### Southern Notes

Fred Ferson has assumed charge of the Biloxi (Miss.) Insurance Agency as manager. Mr. Ferson was formerly advertising manager of the New Orleans "States" and more recently with the Biloxi "News."

Karl N. Pollard and S. A. Pollard, who have been associated for several years with S. M. Williamson & Co. of Memphis, Tenn., are now operating an independent insurance brokerage business in the Shrine building, under the firm name of Pollard & Pollard.

H. A. Brosnahan has reentered the insurance business again in Pensacola, Fla., having purchased the Leonard agency. Several years ago he sold out his interest in this same agency and entered another field. Some time later he took on the Pacific Mutual Life and represented it for some time. The agency will be known as the Leonard-Brosnahan Insurance Agency.

## ON THE PACIFIC COAST

### Join Western Departments

Hunter Now in Charge of Norwich Union Fire and Casualty Running Mate

The Pacific Coast departments of the Norwich Union Fire and Norwich Union Indemnity, independent in the past, have been placed under one management, with Frank L. Hunter, heretofore fire manager, in charge for both companies. He is now assisted by R. L. Countryman, M. C. Godfrey and J. R. Beauchamp, assistant managers. Mr. Beauchamp, a member of the indemnity company's coast department, will have direct charge of its affairs.

This arrangement includes the entire Pacific Coast territory save southern California, which is handled for the indemnity company by a Los Angeles general agency. The reason for the change is to reduce expenses, as the coast territory is so large and much of it so thinly populated that it was found the expense of handling it on a separate basis was unnecessarily high. The indemnity company is going after only a conservative volume of business and by operating the companies under one management the expenses can be divided.

### Board to Have Special Agent

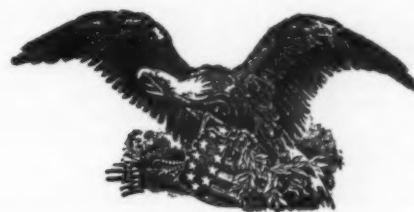
Functions of Coast Governing Body to Be Explained to Agents, Brokers and Public—Consider Rule Changes

SAN FRANCISCO, Nov. 12.—Employment of a "special agent" to explain to agents, brokers and the general public the true functions of the Pacific Board and the scope of its service was recommended and approved at the semi-annual meeting in Del Monte. The plan was recommended by a special committee which recently made a thorough investigation of conditions in southern California. The executive committee, it is understood, will fill the position.

A plan to sponsor a nation-wide broadcast April 18, 1931, to celebrate the silver anniversary of the San Francisco fire and earthquake, proposed by the public relations committee through Arthur M. Brown of Edward Brown & Sons, was approved. It is proposed to use the glee club of the San Francisco Blue Goose as one of the musical features.

The meeting also considered revision in agency representation rules. The proposal for writing apartment business for five-year term at three-year rates

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*Operating Along Sound Lines*

## After the policy is delivered—

THAT'S the time when you can prove the worth of your service and the quality of the company behind the policy. By all means, take every opportunity to keep in touch with your policyholders. Any special services you can extend to them will be appreciated.

Make a periodical check-up of the kind and amount of insurance carried and see that the policy meets the needs of the policyholder in each instance. Homestead special agents will gladly assist you with the technical details of your policies.



## The Homestead Fire Insurance Co.

Wilfred Kurth, Pres.

59 MAIDEN LANE



NEW YORK



was sent back to the committee which presented it for further investigation and study. It is understood that considerable opposition to the plan was voiced.

The change in the earthquake term, to write earthquake for three years at two-year rates, was approved for final vote. The margin between the "ayes" and the "noes" was small and many company managers believe that it will fail of passage by signature vote of the various offices in San Francisco.

Resolutions on the deaths of W. L. W. Miller and F. H. Rhoads were adopted, as was a resolution of congratulation to James Rolph, Jr., of the general agency of James Rolph, Jr., Landis & Ellis on his election as governor.

#### Venison for Field Men

F. F. Carey of Great Falls, Mont., special agent for the America Fore group, while in the vicinity of Libby, Mont., the latter part of October killed a 175-pound whitetail deer, which was shipped to Great Falls and placed in cold storage until the Montana Special Agents' Association meeting in Butte, Nov. 7-8.

#### Name Phoenix Executive Board

PHOENIX, ARIZ., Nov. 12.—The executive committee of the Phoenix Insurance Club was announced at the semi-monthly luncheon meeting. It consists of W. C. Miller, Verland Haldiman, Harry Burghurst and W. S. Bradfield. Plans were also made for a membership drive, which will be conducted before the next meeting, Nov. 19.

Mel Fickas, just elected president of the club, which now includes in its membership 20 of the leading agents in Phoenix, presided at the luncheon. Milton P. Smith, president of the Phoenix Real Estate Board, brought greetings from that organization.

#### Bonner San Jose Speaker

C. A. Bonner, manager of the Aetna Life and affiliated companies in San Francisco, addressed the San Jose Association of Insurance Agents on "What I Would Do If I Were an Insurance Agent."

The association reported that its membership is consistently increasing, with a gain of 167 percent since October, 1929. It adopted a resolution protesting to the Pacific Board against any drastic or sweeping reductions in fire insurance rates.

#### Chief Brennan Honored

Chief Brennan of the San Francisco fire department was honored on Nov. 8,

his first anniversary as chief of the department.

Several fire insurance executives attended the gathering and brief talks were made by John H. Schively of the Insurance Federation of California, E. M. Northup of the Great American and Thos. R. Larke of Rule & Sons.

#### Gets Homeland for Oregon

J. V. Whipp of Portland has been appointed general agent for the Homeland of the North British fleet for Oregon.

#### Brown Is Blue Goose Speaker

SAN FRANCISCO, Nov. 12.—Arthur M. Brown, Jr., of the general agency firm of Edward Brown & Sons, past president of the San Francisco junior chamber of commerce, spoke at

the luncheon meeting of the San Francisco Blue Goose Nov. 10 on "Some Observations on Chamber of Commerce Activities." E. M. Northup, most loyal gander, presided.

#### Blanket Club Elects

SEATTLE, Nov. 12.—New officers of the Seattle Blanket Club are Richard H. Byington, Barron-Eastman Agency, president; John Gaffner, American Insurance Agency, vice-president; Herbert Duren, American Insurance Agency, secretary-treasurer.

#### Coast Notes

C. C. Price, special agent for Selbach & Deans, Billings, Mont., is convalescing at his home after a month's serious illness.

A. N. Lindsay, Pacific Coast secretary for the California at San Francisco, was a Butte visitor last week, accompanied by Leo V. Sears, Spokane special agent.

## IN THE MOUNTAIN FIELD

### Now Opening a Department

#### W. E. McCullough Is Establishing a Full Fledged Office for Three Companies in Mountain Territory

W. E. McCullough has now established his offices at 740 Gas & Electric building, Denver, opening a Rocky Mountain department for the Monarch Fire of Cleveland, Eureka-Security Fire & Marine of Cincinnati and Millers National of Chicago, all members of the Western Insurance Bureau. Mr. McCullough was vice-president and general manager of the Hampton Roads Fire & Marine and also had charge of the western department. This company, however, was taken over by the National Fidelity Fire of Baltimore. The three companies then arranged with Mr. McCullough to open their mountain department and extend their operations in that direction. The department will have jurisdiction over Colorado, Wyoming and New Mexico.

#### Field Men Meet

DENVER, Nov. 12.—Fourteen field men, representing Cobb, Miller & Stebbins, general agents, in Colorado, Wyoming and New Mexico, have just concluded their bi-monthly meeting, presided over by E. J. Miller, head of the production department. The meeting was educational, each field man relating

experiences in the field and offering interchange of ideas.

#### Establish Albuquerque Branch

DENVER, Nov. 12.—Braerton, Simonson, Brown will establish a branch office at Albuquerque, N. M., Jan. 1, in order to better serve adjacent territory. Paul Rubincam, who has been with the Denver office of this firm for some time, will be in charge of the branch office.

#### Leech Reports Healthy Conditions

DENVER, Nov. 12.—Hovt Leech, state agent for the Globe & Rutgers group, reports healthy business conditions in the farming region about Torrington, Wyo. Farmers there have paid off one-third of their indebtedness to the Holly Sugar Company, which loaned them \$1,000,000 for development a few years ago.

#### Goldsmith to Review Conditions

DENVER, Nov. 12.—Col. Clarence Goldsmith, Chicago, of the National Board, is scheduled to arrive here this week to review fire protection matters in the larger cities of Colorado and Wyoming. W. J. Kulp, manager, and L. A. Barley, chief engineer of the Mountain States Inspection Bureau, planned to accompany him on his tour of the Mountain region.

The Nevada Fire has been licensed in Illinois.

## Eastern States Activities

### New England Rules Broadened

#### Supplemental Contract Provided to Cover Miscellaneous Damage to Dwelling Properties—Extend Smoke Clause

BOSTON, Nov. 12.—Important amendments and corrections in the manual of rules of the New England Insurance Exchange were promulgated last week which extend the application of the coverage for aircraft, explosion, hail, motor vehicle, riot and/or wind-storm loss or damage for dwelling properties. The explosion and tornado conference has waived jurisdiction over rates and rules governing the writing of buildings occupied exclusively for private dwelling purposes, private out-buildings in connection therewith and rental value of such buildings, excluding farm property, when the hazards are covered under an approved form of supplemental contract issued in conjunction with a fire policy. Rates and rules are provided for this additional coverage by the exchange.

The rules were also broadened governing the writing of the supplemental contract covering loss caused by smoke from stationary heating plants using oil for fuel have been changed to allow an extension of coverage to include all classes of property for which proper rates have been established.

### Hill Addresses Jersey Men

#### National Board Worker Stresses Loyalty and Cooperation at Special Agents' Meeting

NEWARK, N. J., Nov. 12.—The same spirit of cooperation and loyalty which brought about formation of the National Board in 1866 to remedy the chaotic post-war conditions then existing, is urgently needed today in the fire insurance field, W. E. Hill of the National Board told members of the New Jersey Special Agents Association at their monthly meeting here Monday. To bring out the fact that prosperity or depression is largely a matter of mental state and that there is in actual figures but a small percentage of difference between them, Mr. Hill quoted statistics to show that if everyone was to spend

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15 cents a day more it would permit the employment of an additional million men at \$6.25 a day.

Mr. Hill sketched the history of the National Board, including its origin, its withdrawal from jurisdiction over rates and premiums in 1876 and over commissions or compensations to agents in 1886, and the development into its present state, with its various bureaus, committees and departments.

The association paid tribute to Franklin Geib, special agent of the Automobile of Hartford and a member of the association, who was killed last week when his car hit a safety isle. Mr. Geib was returning late at night from a business trip to Trenton and has almost reached his home at Montclair when he apparently was overcome by drowsiness. He is survived by his wife and two children.

### Strong Protests Are Made on Buffalo Self-Insurance

BUFFALO, N. Y., Nov. 12.—Fire and casualty men were present in force when the city council held the first of a series of hearings on the proposal of Mayor Roesch that a municipal insurance fund be created and other forms of insurance on city property discontinued. Jay W. Rose, president of the Buffalo Association of Fire Underwriters, spoke strongly against the plan, declaring similar schemes had not worked well elsewhere. He cited the \$1,000,000 fire at Masten Park high school here as proof that the risks are too large to carry in this manner. Henry H. Rice, vice-president of the board, urged that a complete survey be made by the council before any action is taken. Similar request was made by representatives of boiler companies.

The council took the matter under advisement and did not indicate what policy it would follow.

### Lebanon, Pa., Board Organized

The fire and casualty agencies of Lebanon county, Pa., have organized a local board as a branch of the Pennsylvania Association of Insurance Agents. Man-

ager F. D. Moses of the Pennsylvania body assisted in the organization work. He announces that this is the 40th local board in Pennsylvania. Eugene Hoster of Lebanon is elected president; P. L. Zechler of the J. H. Miller & Co. of Lebanon, vice-president; J. H. Spreker of Lebanon, secretary and treasurer. The members are planning cooperation with other local boards in the state on legislative matters and other affairs of state-wide interest.

### New England Meet June 22-24

BOSTON, Nov. 12.—The next convention of the New England State Associations of Insurance Agents will be held June 22-24 at Poland Spring, Me. This decision was reached at the annual meeting of the New England Advisory Board in Boston last week. Charles W. Varney, Rochester, N. H., was re-elected chairman of the board, and Warren S. Shaw of Brockton was re-elected secretary.

### Approve Supplementary Forms

BALTIMORE, Nov. 12.—The Association of Fire Underwriters of Baltimore has approved two supplementary contracts, one covering smudge damage from fuel oil heating equipment and the other a six-point contract covering motor vehicle and aircraft property damage, explosion, hail, riot and windstorm, in addition to fire and lightning.

### Eastern Notes

The Newark Board will meet Nov. 20 to discuss several important matters relative to insurance bills.

Marshall Keller, residing in Dunmore, Pa., and operating an insurance business in Scranton, died recently following a cardiac attack.

Special Agent Louis K. Ives of the Springfield Fire & Marine is now located at 301 Old Hartford Times building, Hartford.

The new Penn Blue Goose, recently organized at Philadelphia with more than 200 members, will hold a luncheon meeting Nov. 24. If the luncheon idea proves successful the pond plans to hold one every two weeks.

## IN THE CANADIAN FIELD

### Casualty Organizations Meet

W. H. Burgess Heads Canadian Automobile Underwriters—Casualty Group Reelects Executives

MONTREAL, Nov. 12.—At the annual meeting of the Canadian Casualty Underwriters Association here, the retiring members of the governing council and the executive committee were re-elected.

The annual meeting of the Canadian Automobile Underwriters Association was also held here, and a new constitution adopted, reverting to the former practice, which provided for the election of a president, two vice-presidents (one from Montreal and one from Toronto) and an executive committee of 12 company members (6 from Toronto and 6 from Montreal) and the officers.

#### New Officers Elected

The newly elected president is W. H. Burgess, general manager Canadian Surety, with F. C. Browning, Globe Indemnity, and W. A. Thomson, Norwich Union, vice-presidents.

The executive committee is to be made up of the manager or chief representative of each of the following 12 companies: Globe & Rutgers, North British & Mercantile, Northern Assurance, Provident, Royal, Royal Exchange, Dominion of Canada General, Employers' Liability, London & Lancashire, Travelers, Union of Canton, and Western.

The executive officers were reappointed:

J. H. King, Toronto, secretary and treasurer, and R. N. Cornish, secretary, Montreal.

### Steer Made Ontario Manager

W. J. Steer has been appointed Ontario branch manager at Toronto by the Canada National Fire. Mr. Steer was formerly branch manager at Winnipeg for the British General, British & European, General Fire of Paris, and Phenix Fire of Paris, supervising the western provinces. He has been in Winnipeg, engaged in the fire insurance business for over 20 years.

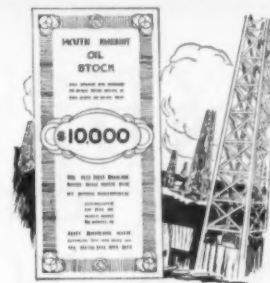
### New General Agents Appointed

H. B. Macdonald Co., Calgary, has been appointed general agent for Alberta by the Great American. Quigley Agencies, Calgary, has been appointed general agent for Alberta for the American Alliance. Morgan, Nicholson, Winnipeg, has been appointed general agent for Manitoba by the Westminster Fire.

### Vancouver May Back Bill

Enactment of compulsory automobile accident liability insurance legislation, patterned after the Ontario act may be sought by the city council of Vancouver, B. C., at the next session of the provincial legislature.

W. R. Bradley, Calgary, has been appointed inspector for British Columbia and Alberta by the Globe & Rutgers.



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## MOTOR INSURANCE NEWS

### New Michigan Fight Likely

Specialty Carriers of State Reported to  
Be Framing Up Program for  
Preferential Legislation

LANSING, MICH., Nov. 12.—Members of the Michigan Association of Insurance Agents, who have been supporting the National Automobile Underwriters Association companies in their attempt to wrest automobile business from the Michigan specialty companies, have learned that a legislative program is already being framed by the home carriers for introduction in the legislature in January.

#### Want Preferential Treatment

According to well-authenticated reports, representatives of several of the Michigan carriers met here recently to consider legislative activities. They will not be satisfied, it is reported, with standard rates for all carriers, supervised by the department, but will insist that they be permitted preferential treatment through deviations based, perhaps, on cost of doing business.

The big carriers are nearly all accepting auto business at 50 percent off manual on full coverage collision and 25 percent off on fire and theft but their rate-slashing is purely on an individual basis and it has been found impossible to apply any existing statute to force them to restore manual schedules. The home specialty companies, of course, want the old conditions restored under which they could cut rates to their heart's content while the big carriers lost business by sticking to manual rates.

#### Movement Will Be Fought

Members of the Michigan association, who admit they were largely responsible for persuading their companies to cut auto rates in this territory, would not strongly oppose state-supervised rating if it were conducted on an equitable basis. They will fight to the last ditch, however, any effort to give back their hard-won business to the Michigan carriers through the medium of a preferential law.

### Annual Meeting to Be Held

National Automobile Underwriters Association Has Done Constructive Work  
Since It Was Started

NEW YORK, Nov. 12.—Notice of the first annual meeting of the National Automobile Underwriters Association to be held at the Hotel Pennsylvania here Dec. 9 has been sent out. Aside from the election of officers reports will be presented by various committees and a number of matters of first importance, it is anticipated, will be offered. In the nearly 12 months that have elapsed since the formal launching of the association, a vast amount of constructive work has been accomplished, which fact should not be lost sight of when criticism is directed against the flaws in its operations. That all the evils in the business have not been rectified is freely conceded by even the most loyal partisans of the association, but that a definite trend toward that end has been attained and that greater progress will take place during the new year is the confident prediction. The management and directors fully appreciate the seriousness of the task presented by the diversity of views within the membership with respect to forms of coverage, agents' commissions and kindred matters, to say nothing of the proper method of handling finance lines. The men are bending every energy toward the solution of each of the problems.

### Staff Committee in Session

Finance Business and Other Important  
Matters Considered by National Auto  
Association Group

NEW YORK, Nov. 12.—The staff committee of the National Automobile Underwriters Association, which has been in session at Chicago for the past week, made considerable headway in solving many complicated problems it had to deal with. The outstanding item was how to handle finance business. The question has been prominent in automobile insurance for years but never has been decided satisfactorily.

#### Obtain Officials' Views

Whether the committee has been able to reach a practical solution remains to be seen, but it is certain that its recommendations, based on views of officials of the great majority of the association company members, obtained some two weeks previously and carefully analyzed, will be worthy of serious consideration.

The staff committee has prepared a form of cumulative collision cover to replace that recently rejected by the New York department largely because of ambiguity of phraseology. The form was never wholly acceptable to association members, but was issued hurriedly at the insistence of certain offices for competitive purposes.

#### New Draft Out Soon

The revised draft will shortly be submitted to the New York department and if approved will be distributed. Meantime, the earlier form is being used in states that do not require form and rate filings.

Association statisticians are preparing data upon which rates for some 25 new types of automobiles announced since the issuance of the manual in May last may be prepared. The new figures will appear in supplemental form, and it is understood will become operative Nov. 17.

### Rules Against Fleets

W. F. Floyd, Arkansas commissioner, has mailed notice to companies operating in Arkansas that group or fleet insurance policies must not include automobiles owned individually by employees. Until now, the owner of a fleet in several hundred instances has permitted employees to obtain a lower rate by including private cars in this classification. The commissioner holds the practice is a discrimination against other owners, who pay a higher rate.

### Comments on Commission Cases

In commenting upon the cases in Texas and New Jersey involving the power of a state to fix agents' commissions, T. R. Mansfield, secretary of the Gulf, has written the following:

"In the New Jersey case the large companies having headquarters in the east are doing their best to have a commission enactment by the legislature declared void, while in Texas those same companies are doing their best to have an order issued by a state board upheld.

"Of course, in the New Jersey case a firm of local agents are suing a company, but the real plaintiffs are the large eastern companies and the real defendants, the New Jersey legislature and the executive officers of that state. The Texas case is a group of Texas companies against the board of insurance commissioners, while the prime movers in the effort to have commissions regulated by governmental authority are a group of large eastern companies."

## Tedford Heads Indiana Agents

(CONTINUED FROM PAGE 5)

he said unprepared when Mr. Jenkins called upon him for a few remarks after Mr. Coquillard had concluded. Since previous speakers challenged companies' practices from so many angles, it seemed that Mr. Robertson was in an embarrassing position, but he handled the situation gracefully, gaining the affection of the agents for himself and softening somewhat their attitude toward the companies.

### Answers Liberalization Plea

In answer to the plea of Mr. Jenkins and other speakers that there be greater liberalization of coverage instead of rate reduction, Mr. Robertson declared that the competition for premiums has never been so severe. If the rate competition of certain classes of carriers is not met, he predicted, the agents instead of getting lower income from reduced rates will get no income at all.

As to qualification of agents, Mr. Robertson pointed out the difficulty of 182 companies in the Western Underwriters Association arriving at an agreement on the vexatious problem of agency qualifications. He admitted that a higher type of agent is needed.

If the last decade has been an era of mass production, Mr. Robertson predicted that the next decade will be an era of economic distribution. In insurance that means that there must be fewer agents and men better qualified, he said. Commissions must be maintained at a point to attract good men to the business. Better service and not lower income is needed. "Give more for what you earn," Mr. Robertson advised.

### Denounces Separation

J. W. Kirkpatrick, of Muncie, who represents Western Insurance Bureau companies, criticized the companies for spending so much time and effort in separation. He declared that many special agents are no more than "messenger boys" and he urged that companies give special agents more responsibility and an opportunity to do something constructive. Separation, he said, is disorganizing the business because it is taking time from production.

Mr. Kirkpatrick also advocated what he called a "real standard policy that would say what it means and mean what it says." He drew a parallel between the automobile industry and insurance. Old fashioned methods consisted in selling a car stripped of all accessories and then selling accessories as extras. Now cars are sold as units, completely equipped.

### Criticizes Farm Form

Another criticism of Mr. Kirkpatrick was that although a credit for any kind of lightning rod is given in farm business there is no credit for fireproof roofs. Also he criticized the farm form which requires that hogs which are worth more than \$50 and sheep worth more than \$30 have to be named specifically.

Adjustment of small losses in towns where there is a local board, according to Mr. Kirkpatrick, should be handled by a single adjuster associated with the local board.

Mr. Kirkpatrick complained that in Muncie insurance policies on homes, financed by Sears, Roebuck & Co. have been signed by a certain state agent in Indianapolis.

### Landers Unable to Come

H. S. Landers, general counsel Metropolitan Casualty, who was scheduled to be the principal speaker at the banquet was unable to attend, but the services of Commissioner Livingston of Michigan were secured for that function. Mr. Livingston also addressed the agency business session. The theme of his banquet address was the "Romance of Insurance." The toastmaster was C. E. Perkins of South Bend. He called upon a number of guests, including Mr. Robertson and E. D. Lawson, western

## Illinois Official Reviews Hazards of Midget Golf

SPRINGFIELD, ILL., Nov. 12.—Miniature golf courses, which are taking to steam heated winter quarters, are running into hazards entirely different from those of the game itself, hazards which are listed as forbidden by State Fire Marshal Legreid. According to the fire marshal, many of these golf courses are being placed in various sorts of available buildings, some of which will not qualify under the fire rules of the state. He issues the following warnings:

That sufficient exit facilities be provided and that for second floor halls the fire escape statute will apply.

That joint occupancy of the same building for garage purposes and for purposes of public assembly is not permitted.

That promiscuous use of inflammable materials to give a realistic effect of greens and landscaping will not be allowed.

Owing to the popularity of this sport the marshal has instructed all deputies to make a careful inspection of all midget courses in their territory and require a substantial compliance with fire and safety rules of the department.

inland marine manager Fireman's Fund; R. S. Oellers, vice-president Bankers & Shippers, and W. J. Nolan, western supervisor of the Meserole group.

C. E. Graves of Frankfort presented the report of the resolutions committee. A resolution favoring broadening of the agent's qualification law to give the insurance commissioner more authority was recommended. It was also recommended that the commissioner be given more funds for the administration of his office to enable him thoroughly to investigate all applications for license.

### Lien Law Resolution

Another resolution recommended that the lien laws of Indiana should be amended to include premiums on compensation, public liability and other necessary coverages on construction work, including premiums on contract bonds.

The insurance premiums on policies, according to another resolution, covering property involved in bankruptcy should be made preferred claims, particularly so when the policies are a protection to the creditors.

Officers of the National association were commended for their efforts in resisting reduction in commission scale on compensation. A resolution thanking Mr. Jenkins for his services as well as the other officers was adopted. The South Bend and Mishawaka boards were praised for their work in preparing for the meeting. A memorial was passed for W. G. Abernathy, a past president of the Indiana association, who died in South Bend during the year.

Mr. Coquillard asked the members to call on W. G. Elliot, a member of the association, who is ill in South Bend.

A number of those attending the Illinois association meeting in Danville motored up to attend the second day meeting of the Indiana association. Among them were Frank Chandler, associate manager Employers Liability in Chicago; Frank Breen, state agent Standard of New Jersey; J. E. Murphy, superintendent production department Royal Indemnity. C. J. Lingenfelder, agency superintendent America Fore, was among the company men in attendance.

### Miscellaneous Notes

J. Hal Owens, local agent at Ironton, O., lost his left eye a few days ago when the windshield of his automobile was shattered.

R. B. McFalls & Co. of New York City have resigned the Fire Association, having a general agency in suburban exchange territory.

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## North Carolina Session Success

(CONTINUED FROM PAGE 4)

buying or the selling end. He spoke of the companies as high-speed factories turning out insurance on a mass production basis and at a minimum cost, of the agents as distributors of the product and the servicing of it night and day for the length of time it exists.

"As a buyer of insurance, I would look for, first, an agent or distributor who was thoroughly conversant with all branches of the commodity he was handling, secondly for an agent who represented the finest kind of concerns manufacturing the commodity of insurance, and thirdly, for an agent who would continue to look after and service the commodity as long as it existed," said Mr. Quaid in closing.

### Men in Field Important

At the Saturday session of the fire and casualty group, Mr. Babcock talked on "A Claim Man Looks at Insurance." He stressed the paramount importance of the personal contact and personal propaganda which the claim man and the agent produce. He termed display advertising of relatively little importance in selling the general public on the insurance service of any one company, in contrast with the direct and all-pervasive influence which the man in the field can exert through his daily contact with clients and prospective clients.

### Tells of Socialistic Threat

"Opportunism in Business" was discussed by Mr. Jones. He dealt with the threat of socialistic regulation of insurance and said the economic and political structure of the nation is being attacked from opposite sides by theorists and selfish opportunists. While the casualty insurance companies are bearing the present brunt of the attack of these selfish opportunists, life insurance, fire insurance and other fields are not immune to their attack and it behooves all forces in insurance to fight valiantly to thrust off these encroachments on private rights.

## New Hampshire Men Elect Gile

(CONTINUED FROM PAGE 4)

boards as a remedy for the separation and other issues and quoted the model local board of Cleveland as an example. The possibility of changed rates and commissions in workmen's compensation was also referred to.

The attendance of some 40 at the annual meeting was augmented by fully 100 more at the annual banquet held in the evening. President Trask presided and introduced some of the visiting association officers from other states and also President F. W. Sargent of the New Hampshire Fire who spoke briefly and was given a fine ovation.

### Sullivan Defends Tax

"It would be useless for your association or any one to attempt to kill the premium tax which constitutes a large part of the income of the department," said Commissioner Sullivan in his talk. "It may be inequitable, but the same argument may be brought against any tax. It is a just tax if you will place your contracts of insurance in every house and on every life in the state. When all the citizens and all property is properly covered it becomes an equitable tax."

The commissioner declared that the spirit of dictation to the companies should not exist among the agents and made a plea for cooperation between the association and the company executives. The agents, declared the commissioner, object at one time to uniform commissions and in the next breath ask for uniform rates. He warned the agents that if the insurance business could not regulate the costs of doing business they might expect the commissioners to do it for them. He considers it dis-

loyalty for any agent to accept a high commission from a newer or younger company and give that company business as against the interests of the established agencies in an office.

## Smith Reviews Situation for Indiana Association

(CONTINUED FROM PAGE 4)

should be based on the automobile and the hazard involved instead of on the premium. If that is required by law, he predicted that much mutual competition will be eliminated.

### Makes Several Recommendations

Among other recommendations were that all agents be paid contingent commissions, that special agents induce local agents to join their state association, and that the proposal of Ralph Rawlings, president of the Western Insurance Bureau, for abolition of the "rumor factories" in the insurance business be followed. "If insurance people were as good prognosticators as they are broadcasters," Mr. Smith said, "the business would be better."

Mr. Smith reported that he is investigating the activities of the Catholic Mutual Relief Society, which is operated by F. T. B. Martin of Omaha. He said that this agency is taking over church property in any location at great reduction. A certificate is issued, but Mr. Smith said it is a mystery what company is issuing the certificate.

## Elections Cause Radical Changes

(CONTINUED FROM PAGE 3)

Rolph, Jr., as governor. Forrest Mitchell, present commissioner, was appointed for a four-year term, taking office in March, 1929, and present indications are that he will serve out the term, or until March, 1933.

### Livingston Appears Secure

Besides assuring the retention of Commissioner Livingston, election of W. M. Brucker as Michigan's governor, has additional significance to insurance. He is expected to support a proposed broadening of the workmen's compensation law by the 1931 legislature, having pledged himself to ask the legislature to include occupational diseases and injuries. He also promised that he would seek an old age pension law, a matter now being studied by a special commission which is expected to submit a favorable report. The plan has been a pet project of the Fraternal Order of Eagles and the head of that order in Michigan is chairman of the commission. The new governor is quite likely to support any changes in insurance laws sponsored by the department as he and Commissioner Livingston are on excellent terms.

Independent control of both branches of the North Dakota legislature was established in the general elections. S. A. Olsness continues in the office of insurance commissioner.

### Upset Occurs in Oregon

Election of Julius Meier as governor of Oregon means numerous changes in the insurance department. No successor to Clare A. Lee has been named. There is a possibility compulsory automobile liability will be pushed, but the Insurance Union is expected to fight it.

Dean W. L. Cross of Yale University, Democratic governor-elect of Connecticut, will have the appointment of an insurance commissioner when the four-year term of Howard P. Dunham expires next July. That he will reappoint Col. Dunham is not believed likely, as the latter is a Republican and was named to succeed Burton Mansfield of New Haven, a Democratic official who served three terms, from 1911 to 1923. Col. Dunham was appointed by Gov. Templeton in 1923 and is completing his second term.

Speculation over the post of insurance commissioner in Pennsylvania following

election of Gifford Pinchot as governor has boiled down to three men, James Murray, Pittsburgh, Gus Dette and J. Dallas Smith of Philadelphia. Mr. Murray's appointment is looked on as the most logical, if an insurance man is to be selected. He has been prominent in insurance for many years as head of James A. Murray & Sons, general insurance agency, has been mentioned before as a candidate for the commissioner's office and is a leader and former president of the Insurance Federation. He is popular with insurance men. What is more important, it is understood he has friends among political powers in Pittsburgh, which city was largely responsible for Mr. Pinchot's election.

### Taggart Appears Out

Two men, it is said, are definitely out of the picture, Matthew C. Taggart and Einar Barfod. Mr. Taggart is now commissioner, and, although the Pennsylvania Association of Insurance Agents is working for his reappointment, political advisers declare that he will not even be considered. Mr. Barfod was commissioner under Governor Pinchot in his previous term, and was supposed to have had the inside track, but publication of this report is said to have caused such a backfire that his name was immediately scratched.

Jackson Cochrane and Theodore Thulemeyer, insurance commissioners of Colorado and Wyoming, respectively, will hold office at least another term, it is predicted here. These officials have been serving under governors, both of whom have been reelected. Commissioner Cochrane is probably the only one in the United States holding office under civil service, which doubtless would make his position secure in any event.

### Nebraska Change Imminent

Lloyd Dort, Nebraska commissioner, expects to step out of office with the inauguration of Gov. C. W. Bryan, although it is believed that Mr. Bryan will wait, as he did when he was governor in 1923, to see what the legislature does with his plan to abolish the civil administrative code under which the insurance bureau is assigned to the department of trade and commerce, before he makes permanent changes. Mr. Dort says his term of office automatically ends with the term of Gov. Weaver and he expects to reenter the practice of law in Lincoln.

Nebraska insurance men are concerned over the future of the department. Governor Weaver was the first to whom they succeeded in selling the importance of the insurance business, and for the first time in years a full time actuary was employed. They fear that Gov. Bryan, in his effort to make good on his pledge to reduce taxes again will reduce the bureau to a mere appendage to the other department. When Mr. Bryan was in office before he made the secretary of the department of trade and commerce putative head of the insurance bureau, but he, a banker, relied entirely on Mrs. Mary A. Fairchild, chief clerk for years, who still holds that position.

### New Day in Alabama

A change in personnel of the Alabama insurance department and a better day for the insurance business are foreseen by members of the profession as a result of the election of Judge B. M. Miller as governor. His platform was acceptable to insurance men and he repeatedly stated that he would undertake a house cleaning. Commissioner Thigpen was not an insurance man when he took over his office, his appointment was of a political nature and was declared to be without sanction of the Alabama Association of Insurance Agents. Judge Miller stated that he would consult the agents' association in this matter. Mr. Thigpen's term ends in October, 1931.

Policies of Commissioner Thigpen and Chief Deputy Coleman have not been in line with those of the agents' association. Through efforts of the association an agency qualification law was passed but Gov. Graves and Mr.





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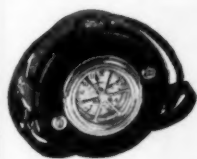
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machinery. Judge Miller in a letter to  
the Birmingham Association of Life  
Underwriters took a definite stand  
against an increase in the tax on insur-  
ance premiums as was attempted at the  
last session of the legislature.

## Hobbs Wins in Kansas

Kansas will have the same commis-  
sioner for another two years. C. F.  
Hobbs was reelected by almost the nor-  
mal Republican majority. Mr. Hobbs is  
expected to have a majority of about  
140,000. J. F. Farley, Democratic candi-  
date, announced that he would make  
a fight on account of settlement of the  
fire rate case and he employed a special  
manager to handle his campaign, but the  
campaign failed to materialize.

Results of the election, coupled with  
unsettled conditions in several depart-  
ments and expiring terms, indicate im-  
portant changes may occur in some  
insurance departments of the New Eng-  
land states. A turnover in political  
power occurred in Massachusetts, but  
Commissioner Brown was only recently  
reappointed for a full three-year term  
which will not expire until April 7, 1932,  
and it is not expected there will be any  
change.

## Agents Oppose Consolidation

In Vermont, New Hampshire and  
Rhode Island, there is prospect of a de-  
cided controversy as to the place of the  
insurance department in the state's offi-  
cial family. Commissioner Clark of  
Vermont has until next February to  
serve. He is a banking man and is head  
of the combined insurance-banking de-  
partment. Insurance men are not satis-  
fied with the arrangement and feel that  
there is need for a separate department.  
Efforts will be made in the next legis-  
lature to secure this divorce.

New Hampshire is without a head to  
its insurance department in view of the  
recent promotion of J. E. Sullivan from  
insurance to banking commissioner. The  
popularity of Mr. Sullivan as insurance  
commissioner has led to talk of combin-  
ing the insurance and banking depart-  
ments and retaining Mr. Sullivan as  
head of both, but insurance men are  
strongly opposed. The state agents' associa-  
tion last week went on record against this  
move. No successor to Mr. Sullivan  
has been named and it may be that the  
office will be left vacant for the incom-  
ing governor to fill.

Rhode Island is in the midst of a  
movement to reduce the number of de-  
partments and combine the insurance,  
auditing and banking departments. Com-  
missioner Wilbour of the insurance and  
auditing department was reappointed for  
a three-year term in January. The  
Rhode Island Association of Insurance  
Agents is active in opposing any change  
in department lineups.

In Maine Commissioner Spencer has  
given complete satisfaction and while  
his term will expire in May, next year,  
it is not expected there will be any  
change.

No changes are expected in the Ar-  
kansas insurance department. The for-  
mer administration was retained and it  
is expected that the present commis-  
sioner will continue.

There probably will be no changes in  
the South Carolina insurance depart-  
ment or its policies. It is said the de-  
partment will not be affected by the  
election.

## Keen Interest Taken by Agents

(CONTINUED FROM PAGE 6)

it is properly filled out a check goes  
back to the agent by return mail for the  
deferred payments. Payments can be  
spread out over six, eight or ten months.  
There is a standard scale for the  
monthly payments, depending on the  
term selected and the amount of the  
premiums financed in the transaction.

Where local boards officially adopt the  
system it adds to the value of board  
membership. In other cities the agents  
make direct connections. Because of

## Still Another Angle on Cow Loss Problem

I am of the opinion that "A. R. T."  
is in error in his apportionment of the  
sum each company pays in the cow loss  
problem as it appears in the issue of  
THE NATIONAL UNDERWRITER of Nov. 6.  
Neither the assured nor the companies  
must be penalized, but according to the  
solution of "S. R. T." company "B"  
would bear the brunt of the penalty.

It must not be overlooked that both  
policies read: "In case of loss, no ani-  
mal is to be valued at more than a cer-  
tain sum, which in case of company "A"  
is \$125 and in case of company "B" \$75.

One cow is killed; company "A" in-  
sures \$700 and pays its proportion on  
basis of a \$125 valuation. Company "B"  
insures \$400 and pays its proportion on  
basis of \$75 valuation.

No solution is proper, where either  
the assured or any one of the compa-  
nies are penalized. J. B.

certain features of the plan it is re-  
stricted to agencies of good reputation.  
Some agents use it on a good share of  
the business, as the collections, being  
handled by the finance company, are  
lifted from their shoulders and they thus  
have more time for other activities.  
Some use it in selling new business.  
Others use it only on risks where they  
foresee dilatory payment. In some cases  
it is used as a collection aid. That is,  
the assured who does not pay promptly  
is given the option of financing the  
premiums or paying cash. The agent  
explains that he must pay his companies  
and in these times it is impossible for  
him to finance all of those that want  
credit. Therefore he asks the customer  
either to pay or accept the finance plan.  
The charges, of course, are paid by the  
assured.

## Welcomed by Large Risks

Many agents have been surprised at  
the size of the risks that not only ac-  
cept the finance plan, but express their  
appreciation of the facilities offered. The  
bulk of the small risks financed are auto-  
mobile. Financing seems to work par-  
ticularly well on such risks, possibly be-  
cause the assureds have bought their cars  
on installments and readily accept the  
installment system on the premiums.

The companies are watching the  
finance development with interest. Their  
unpaid balances are reaching a disturb-  
ing figure. The advent of private capi-  
tal into the insurance finance field solves  
many problems. No company, of course,  
will finance the premiums of another  
company. Thus an effective finance  
plan handled through insurance channels  
would necessitate an unheard of degree  
of cooperation. A private finance com-  
pany can handle all policies offered and  
it is further in an excellent position in  
case cancellation becomes necessary.  
Cancellations, however, have been re-  
markably small, as the public is appar-  
ently educated to the installment plan.

In several cases where local boards  
or state associations were contemplating  
the organization of private finance com-  
panies the problem of providing capital  
has been a stumbling block. The agents  
would have to use their own money in  
capitalizing the cooperative finance com-  
pany, which affords no great advantage  
over the agents financing their own  
risks.

## Miscellaneous Notes

The National Fire Protection Associa-  
tion says that conditions from a fire pre-  
vention standpoint at Ann Arbor are un-  
satisfactory.

The Peninsular Agency of Detroit has  
been incorporated by Frederick S.  
Strong, Jr., Orchard Lake; Cecil Billings-  
ton, Detroit, and John W. Henderson,  
Windsor, Ont.; Ruby Jane Willmott, Inc.,  
Detroit, by Harold M. Blossom, Margaret  
T. Blossom and Archibald Trowbridge,  
Detroit, and the Tyszka Agency, Ham-  
tramck, by Edmund Tyszka, Hamtramck,  
and W. J. Graham and Frank Lampke,  
Detroit.



## "Get In" on the many Opportunities Offered by the Inland Marine and "All Risks" Lines

**N**OWHERE in the insurance business are there to be found greater opportunities for increased commission income than in the sale of the many inland marine and "all risks" coverages.

The Automobile Insurance Company and the Standard Fire Insurance Company, with their many underwriting facilities, provide the widest possible scope of coverages, backed by a nationwide reputation for prompt and just claim settlements.

Here you will find a progressive organization that is quick to recognize every inland marine insurance need. New contracts are continually being developed to provide the very latest in "all risks" protection, and a wide variety of advertising sales helps, of which only a few are illustrated, make it easier to secure the business.

Bailees' Customers  
Bridges  
Camera Floater  
Contractors' Equipment  
Deferred Payment Mdse.  
Exhibition Risks  
Fine Arts  
Fur Floater  
Jewelry Floater  
Laundry Bundle  
Lodge Paraphernalia  
Motor Truck Contents  
Musical Instruments

Outboard Motors & Boats  
Parcel Post  
Personal Effects  
Radium  
Registered Mail  
Salesmen's Samples  
Scheduled Property  
Signs  
Silverware Floater  
Surgical Instruments  
Theatrical Floater  
Transportation  
Wedding Presents  
and others



**AUTOMOBILE INSURANCE COMPANY**  
and the  
**STANDARD FIRE INSURANCE COMPANY**  
of Hartford, Conn.

Affiliated with Aetna Life Insurance Company and the Aetna Casualty and Surety Company

# The National Underwriter

November 13, 1930

CASUALTY AND SURETY SECTION

Page Thirty-seven

## Contract Bond Rate Issue Up

Keen Interest in Discussion Over  
Movement to Go to  
1 Percent

### MUCH OPPOSITION FOUND

Some Companies Declare That the Fig-  
ures Do Not Warrant the Pro-  
posed Decrease

NEW YORK, Nov. 12.—Executives of the important surety companies here are still sharply divided as to rates upon contract bonds, some insisting that these be reduced from the present figures of 1½ percent to flat 1 percent, declaring that unless this be done, and that too without further loss of time, much of the choice business will be lost to the free-lance institutions. Opponents are equally insistent that the existing rate be maintained, feeling that it is fully justified by the loss experience over a period of years, and asserting further that whatever rate the organization companies decide, the non-affiliated offices will go it one better.

### Shrinkage in Premiums

The old established companies, with but few exceptions, report a pronounced shrinkage in their contract bond premiums. While this is properly attributed in part to the marked curtailment in construction work throughout the country during the present year, and again to distribution of premiums among the many new organizations that have entered the bonding field within the past 24 months, no inconsiderable part of the decrease is assigned to the activity of the non-affiliated companies that have been carefully following contract lettings, and gaining the patronage of some of the foremost contractors. Not writing bid bonds these free-lance institutions do not feel obligated to issue a bond following a contract award, if the amount of the contract or the conditions imposed are not to their liking.

### Towner Submitted Figures

The figures submitted by R. H. Towner, manager of the Towner Rating Bureau at a recent gathering of surety officials, it is understood, showed wide variation as to the respective loss ratios of the different institutions. It is upon this reputed fact in part that some managers base their insistence upon a reduction from present rates. If, as is regarded as quite possible, if not wholly probable, the rating organization is forced to heed the growing demand for a flat 1 percent rate for contract business, the underwriting practices of some of the companies will have to be sharply overhauled and a more rigorous scanning of submitted lines exercised.

In the mind of one important executive the remedy for the evils complained

(CONTINUED ON PAGE 40)

## Compensation Cost Issue Is Reviewed by Bennett

Secretary W. H. Bennett of the National Association of Insurance Agents whose committee has been conferring with the special committee of the National Bureau of Casualty & Surety Underwriters on the proposed workmen's compensation graded commission scale, reviews the present status of the negotiations. He says there has been reached a common ground of better understanding in the compensation commission situation. The problem is: What is to be done about compensation insurance, admittedly in a bad state, almost a state of demoralization for a number of years past. In the seven-year period ending Dec. 31 last, the companies reporting to New York

suffered an underwriting loss of \$83,000,000, an average of 9.4 percent of the earned premium for the period. The executive committee of the National Bureau of Casualty & Surety Underwriters set itself about to seek a solution. As the first step it provided a loading of .5 percent for profit which was approved by the National Council on Compensation Insurance. The next step was an action to collect loss ratio data more promptly. Another step in order to bring relief was the employment of an expense constant of \$10 to be applied to every risk.

### Readjustment of Expense Items

There was brought forth a readjustment or refinement of expense items producing a total expense loading of 40.5 percent divided as follows:

	Percent
General Administration.....	4.7
Payroll Audit.....	1.3
Inspection.....	3.0
Claims.....	9.0
Acquisition Cost.....	17.5
Taxes.....	2.5
Profit and Contingent.....	2.5

Total Expense Loading..... 40.5

The total acquisition cost of 17.5 percent was divided 10 percent for producers and 7.5 percent for field supervision. Pure premium level is to be determined by the combined experience of all carriers, participating and stock.

The company committee then gave attention to a differential between small and large risks. The first program provided that manual rates should apply to all risks of \$5,000 premiums and under, with a discount of 15 percent on the next \$15,000 and 20 percent on all risks in excess of \$20,000. This program would not produce sufficient income to operate on the basis of 40.5 expense loading. Accordingly it was provided, in the first instance, that acquisition costs should be reduced on \$5,000 to \$20,000 risks to 7.5 and on risks in excess of \$20,000 to 2.5 percent. It was at this point that the local agents were brought in.

### Agents Opposed Program

The National Association of Insurance Agents took a firm stand against the program because it believed the policy of a graduated commission scale on the size of a premium unit is a direct attack on the efficacy of the agency system and was a step toward the establishment of the English branch office system. The agency committee declared that the idea of trying to recoup the losses in compensation by extracting the "loss constant" from the agents was novel and revolutionary. It was fraught in their

opinion with potential danger to the entire agency system.

The agents then presented their position which is summarized as follows:

1. A recognition of the necessity of adequate rates.
2. The propriety of an underwriting profit, provided it is not at the expense of the producer.
3. An approval of the program of treating separately expense loadings by stock and participating carriers.
4. Endorsing the abandonment of schedule rating and substituting experience rating.

### Superiority of Stock Insurance

5. A reaffirmation of the superior of stock insurance; the unsoundness of the attempt to produce an approximate level of costs with other forms; and the defeat of the superior service now enjoyed by insurers in stock companies through agency service.

6. A recognition of some competitive disabilities, but an avowal that the proposed program will not remove them.

7. Opposing a graduated commission scale for compensation or any other form of insurance written under the American agency system.

8. A declaration that competitive disabilities can not be removed by (a) addition of profit, or (b) increase in rates.

9. The securing of adequate rates can not be reconciled with the proposed program.

10. The uneconomical and wasteful practice of companies appointing unqualified and incompetent agents.

11. The necessity of cooperation between organized companies and organized agents, that the stability of the business may be preserved.

12. A restoration of the 17.5 percent acquisition cost to the compensation insurance program.

### Modified Scale Presented

The company committee then decided to give further consideration to these commission scales. At a later meeting, a modified scale was presented. Instead of the former total acquisition cost of 17.5 percent, 7.5 and 2.5, according to size of risks, the following was brought forth for consideration:

	Up to \$5,000	\$5,000 to \$20,000	Over \$20,000
Total acquisition Cost.....	17.5%	12.5%	7.5%
Field supervision.....	7.5	5	2.5
Left for producer.....	10. %	7.5%	5. %

Two questions were raised by the agents on this modified program. First,

(CONTINUED ON PAGE 47)

## Better Feeling Is in Evidence

Casualty Executives and Produc-  
ers Get on More Friendly  
Footing

### NO DECISION IS REACHED

Secretary Bennett of National Associa-  
tion of Insurance Agents Presents  
Review of Conditions

NEW YORK, Nov. 12.—As a result of the frank and friendly conferences between a number of casualty officials, representatives of agents' and brokers' organizations, the irritation earlier existing between the companies and the business producers with respect to suggested changes in the rate of commission to be paid upon compensation insurance was wholly dissipated, and instead a relationship established that presages well for the future.

### No Definite Decision Reached

No definite decision as to the subject was arrived at other than the pledge on the part of the executives that "no program affecting the agents would be concluded or put into effect without first calling back the producers for consultation and consideration." Meantime the companies will continue to allow full 17½ percent commission upon all risks.

Preceding the meeting of the executives jointly with representatives of the National Association of Casualty & Surety Agents and National Association of Insurance Agents on Nov. 7, sessions were held with representatives of the two brokerage organizations of this city, the outcome being practically the same as followed at the gatherings two weeks ago.

### Harrington Was Spokesman

The position of the agents was initially set forth by W. Eugene Harrington of Atlanta, past president of the National Association of Insurance Agents and prominent casualty agent, who frankly stated that the field men appreciated the difficulties the executives were laboring under and were sympathetic therewith. At the same time he desired to mention some of the producers' problems with the thought that each one might offer suggestions looking to their solution. From this friendly introduction the discussion took wide range, managers and producers earnestly seeking to arrive at reasonable means for overcoming the heavy loss sustained by the companies on the compensation line, and to do this in a way that would be fair to the assured, the carriers and the field representatives.

### Those Present at the Conference

In addition to General Manager J. A. Beha and Associate General Manager Leslie of the National Bureau, the position of the casualty companies was pre-

(CONTINUED ON PAGE 40)



## Tells Plans for Securing and Training New Agents

GROVES IS CHICAGO SPEAKER

Travelers Man Talks to Accident and Health Managers on Agency Development Methods

Benjamin H. Groves, assistant manager in charge of agency development of the Travelers in Chicago, gave an interesting review of that company's methods of securing and training agents in a talk before the Health & Accident Managers Club of Chicago at its meeting Monday.

Mr. Groves said that the company's present agents form the most fruitful source for new agency material. The agency force operates on the unit system and the head of each unit suggests to his permanent agents that they recommend men who would make good agents. They are not supposed to interview these agency prospects, but merely suggest the names. It has been found that this procedure helps to resell the old agents on the importance of business, as well as providing a valuable list of names.

### All Departments Aid

Salaried men in other departments than the agency department are also expected to keep their eyes open for agency material. In the Chicago office of the Travelers last year 36 of these men received their A. B. C. (agency building corps) buttons for suggesting men with whom contracts were later made. Some good prospects are also secured from organizations with which the Travelers has group contracts. The men in the agency department formerly were required to bring in a specified number of new men each year, but that has now been changed to a quota of new business which must be produced by new men that they bring in.

### Man Must Want to Sell

In interviewing a prospective agent, Mr. Groves first makes certain that the man really has a desire to be a salesman. Then he has the prospective agent outline a series of specifications as to the points which he would regard as desirable in the product he is going to sell. There has been no definite mention of insurance up to this time but it nearly always can be shown that insurance meets these specifications more thoroughly than any other product.

If the man has decided definitely that he wants to sell, and that he wants to sell insurance, one of the first questions Mr. Groves asks him is: "How much money have you?" He believes that a large part of the failures among insurance salesmen can be traced to a lack of initial reserve. If the prospect says he has no money laid up, Mr. Groves advises him to continue in his present employment until he can save enough to justify him in entering insurance work. However, if the man is so thoroughly sold on the idea that he is bound to sell insurance and says he will go to some other company if the Travelers turns him down, he is some times taken on despite his lack of resources.

### Start on Accident Insurance

In the training work, new men are started on accident insurance. Mr. Groves stresses the idea that now is the time to sell accident coverage. A man may postpone the buying of life insurance, because it is for some one else, but accident insurance is something he must have, because at this time particularly it is necessary for him to be on the job or to have some reimbursement for what he loses if he is not able to be at work. The new man, before he starts out on the street at all, is required to get up a prospect list, and keep it up to a certain figure. Letters are sent out to the men on this list. They usually make it easier to make sales and furthermore give the new agent more confi-

## Analysis of New Bonds in Revised Book by E. C. Lunt

Thorough explanation of new bond forms on the market is contained in the revised edition of Lunt's "Surety Bonds," which is nearly ready for publication. The author is E. C. Lunt, vice-president in charge of bonding Great American Indemnity.

One of the new chapters is devoted to commercial fidelity bonds (primary and excess) and blanket position bonds. Another new chapter describes the three kinds of forgery bonds that are now available to business houses and individuals. This division of corporate suretyship is of recent growth and is expanding more rapidly, as Mr. Lunt indicates in his revised edition, than is consistent with logical development.

A third new chapter deals with bankers' forgery bonds. Some of these, Mr. Lunt points out, are complicated instruments, "producing about as many headaches to the square inch of text as Einstein's theory of relativity." Up to this time there has been very little in print about bankers' blanket forgery and alteration bonds or of the forgery and alteration bonds supplementary to bankers' blanket bonds, form 8.

Another type of bond, recently advertised, is treated in the final chapter of the new edition. It is the securities bonds, forms 1 and 2. Because of their complicated nature, underwriters and agents will be interested in this new exposition and interpretation of securities bonds.

As a feature of the edition, Mr. Lunt has prepared a tabular index in which is listed nearly all the important types of bonds that are likely to appear in a day's work.

dence in approaching the prospect. Some member of the agency staff always accompanies the new man when he first starts out and his work is supervised for some time, but with a steadily decreasing amount of assistance being given to him.

### Believes in Prepared Talk

The amount of class work required of agents during the test period has now been reduced. More time is to be given to field work. Mr. Groves says it is entirely possible to have too much training and not enough practice. The two features which the Travelers emphasizes in its training course are intelligent thought and simplicity.

Mr. Groves is a strong believer in the "canned sales talk." Answering the objection that it eliminates individuality, he said that it is entirely possible to get individuality into a standard talk. "John McCormack can sing 'Home Sweet Home,' and so can I," he commented, "but oh, what a difference!" He explained the use of the "soliciting pad," which Travelers agents are now using with decided success in the sale of accident insurance. The different pages of the pad through graphic illustrations fit in with the various sections of the sales talk and on the last page is the application.

Mr. Groves appeared as a "pinch hitter" for J. S. Roberts, resident vice-president of the Continental Casualty in Chicago, who was scheduled to lead the discussion on securing and training agents, but was called to New York and was unable to be at the meeting.

### Ocean Accident Changes

Recent promotions in the Los Angeles staff of the Ocean Accident include Joseph E. Joseph, superintendent, who is advanced to assistant resident manager. R. Z. Gaiser, special agent at Long Beach, has been made assistant resident manager and will continue in charge of Long Beach and Los Angeles' harbor district.

## Employers Liability Holds Golden Jubilee Celebration

OVER 100 SAIL FOR EUROPE

Gathering Marks End of Six Months' Production Contest—Originated Liability Line

BOSTON, Nov. 12.—The golden jubilee year of the Employers Liability and as well the 50th anniversary of liability insurance, which started with this company, was observed in Boston last week by a gathering of nearly 250 leading producers and officials of the Employers group. Over 50 producers are leaving today for a trip to Europe as guests of the home office in London. The others who were in Boston were guests of the United States branch.

A production contest was conducted throughout the country during the first six months of the year and the 50 winners of this test are going to London for a week's stay in that city and extended visits to the continent. Some of the winners are taking their wives and as the test also applied to efficiency and service in the executive side of the companies, various officers and officials will increase the foreign party to some over 100. In addition about 40 representatives of the Employers group, including wives, have come on to Boston for a convention and to speed bon voyage to the foreign bound.

Those going to England are:

From Boston: A. D. Boutillier, Forest Donigan, John Donovan, W. S. Gierach, Harry Irons, F. B. Jenkins, E. P. Knight, P. W. Linscott, E. S. Litchfield, P. W. Martin, J. P. Meade, J. J. Murray, Ethel Maelsaac, A. B. Poor, F. B. Potts, T. J. Quinlan, F. O. Sargent, Helen M. Starkey, E. C. Stone, F. D. Tibbets.  
From Albuquerque, N. M.: Philip Hubbell, W. H. Pickett.  
Atlanta: L. P. McRea.  
Baltimore: M. A. Elliott, Bar Harbor, Me.: Fred C. Lyman, C. E. Marcy, Beverly, Mass.: A. S. Fraser, Brockton, Mass.: A. Hendrick, Buffalo: C. A. Reynolds, J. H. Teach, Canandaigua, N. Y.: C. A. Coe, Chicago: N. D. Smith, G. R. Bowman, E. J. Summer, Cincinnati: G. L. Resor, Clarksburg, W. Va.: W. B. McCune, Cleveland: O. G. Strong, Denver: J. W. Kearney, Derby, Conn.: G. H. Gamble, Detroit: C. H. Garrison, L. M. Moore, R. S. Hastings, Dillon, Mont.: F. A. Hazelbaker, El Paso, Tex.: D. C. Crowell, Elyria, O.: H. B. Somers, Flint, Mich.: G. W. Fauth, Fort Worth, Tex.: J. MacThompson, Fulton, N. Y.: Henry C. Webb, Greensboro, N. C.: H. A. Meissel, Haverhill, Mass.: R. B. Kimball, Helena, Mont.: R. M. Wolters, Houston, Me.: M. B. McKay, Jacksonville, Fla.: F. B. McIntyre, F. D. Bisbee, Johnstown, N. Y.: W. W. Chamberlain, Kansas City, Mo.: C. W. Jones, Joseph Ashton, L. S. Holles, G. W. Logan, Lancaster, N. H.: G. M. Stevenson.

Los Angeles: S. A. Kabateck, Louisville, Ky.: F. H. Brown, McKeesport, Pa.: C. E. Lenhart, Meriden, Conn.: I. I. Gardner, E. J. Mastriano, Milwaukee: A. J. Plischke, Muskegon, Mich.: F. L. Winter, Newark, N. J.: J. A. Verdi, New York City: G. T. Bromley, Miss O. H. Flesser, B. L. Pettigrew, O. B. Skinner, Mrs. G. T. Bromley, E. R. Hanna, F. G. Hilditch, Mr. McReady.  
Oshkosh, Wis.: D. D. Harmon, Philadelphia: H. Jordan Dooley, W. C. Giegler, W. W. Humphreys, Phoenix, Ariz.: R. Peabody, Plymouth, N. H.: Percy Ayer, Portland, Me.: W. R. Campbell, Providence: J. G. Henshaw, Rochester, N. Y.: Hilda L. Gall, Rockford, Ill.: C. W. Bohlin, San Francisco: Edson Bradbury, Charles Jensen, E. Page, Seattle: C. J. Chastek, Shreveport, La.: Clyde Jordan, Sioux City, Ia.: H. P. Pratt, South Bend, Ind.: John H. Lloyd, Spartanburg, S.C.: L. A. Grier, Springfield, Ill.: A. S. Keys, Syracuse, N. Y.: W. C. Walker, Bert K. Dean, Tarrytown, N. Y.: C. C. Smith, Terre Haute, Ind.: A. D. Merrill, Tulsa, Okla.: E. W. Thornton, Watertown, N. Y.: S. C. Folks, Waltham, Mass.: J. F. and F. I. Robinson, Co. Wichita, Kan.: W. R. Cook, Wilmington, Del.: P. H. Simon, ton, A. Bird, Youngstown, O.: W. E. Ferrell.

### National's Coast Changes

H. A. Peter, formerly with the National Casualty in Seattle, has been appointed general agent for that company in Los Angeles. Formation of the National Agencies, Inc., of Seattle, is announced. W. N. Boyd is president and M. G. Cosser, office manager and claim adjuster.

## Removal of Auto Liability and P. D. Limits Advocated

INSTEAD OF RATE REDUCTION

Standard A. & H. Policy, Abolition of Full Cover Collision Urged by W. L. Walls

Proposal was made during the convention of the Indiana Association of Insurance Agents that as experience justifies, instead of reducing rates, limits on automobile liability and property damage policies be removed entirely. The author of the proposal was W. L. Walls, local agent of Bedford, Ind.

Mr. Walls declared that there seems to be no underwriting objection to his proposal. Compensation insurance, he pointed out, is without total limits as well as actual value fire, theft, tornado and collision insurance. "When we issue \$100,000/\$300,000 public liability limits and \$100,000 property damage limit we feel that for all practical purposes we are beyond any possibility of loss," Mr. Walls declared. Such a plan would not only simplify the selling but add materially to the argument in favor of stock company insurance.

### Full Cover Collision

Mr. Walls also suggested that a law, if constitutional, would be desirable prohibiting any company from issuing full coverage collision. This, he declared, would inspire greater care among motorists to prevent small accidents, the end result of which would be to discourage serious accidents.

Although full coverage collision has many objectionable features, Mr. Walls pointed out that it has virtues from the standpoint of the agent because any other form of collision coverage necessitates more careful explanation in selling, offers more opportunities for dissatisfaction in adjustments and reduces remuneration. If one of these three objections to other than full coverage collision could be eliminated by an agreement between companies and agents Mr. Walls believes that agents could be reconciled to the other two disadvantages.

### Suggests A. & H. Change

Mr. Walls added that the variance of policy phraseology in the field of accident insurance is confusing to agents and prospects. He suggested that the companies agree upon a standard wording for the basic accident policies.

Mr. Walls also commented on the proposal for a graduated scale of commissions in compensation risks in order to meet the competition of mutuals on large lines. It was a mistake, Mr. Walls declared, for the companies to ignore the agents until the last moment. "It would seem that any proposal unfavorably affecting the producers of the business should be worked out at deliberate, joint conference with them rather than be attempted in the manner which, it appears, has been used in this case," he said.

### Nelson and Skoggs Advanced

F. E. Nelson has been appointed assistant resident manager of the Los Angeles branch of the Columbia Casualty. Mr. Nelson has been with the Columbia Casualty for eight years. F. M. Skaggs has been made superintendent of the Los Angeles office, with which he has been connected for the past two years.

### Bumpus Is Promoted

R. C. Bumpus, former manager of the Baton Rouge, La., district for the Washington Fidelity National of Chicago, has been advanced to manager of the New Orleans district. Baton Rouge will be handled as detached territory out of New Orleans under Mr. Bumpus' supervision.

## Plate Glass Men Are to Confer

Want Strong Governing Organization to Function in  
New York

### PLAN MAY BE EXTENDED

Present Practices in the Metropolis  
Have Caused Much Complaint  
at Headquarters

NEW YORK, Nov. 12.—Agitation for the formation of a strong plate glass insurance governing organization for this city, initiated more than a year ago, has now reached a stage where positive action may be looked for within a short time. Representatives of the Plate Glass Insurance Exchange and the Survey Bureau will meet J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, in this city on Nov. 13 to consider the general proposition and perhaps agree upon a co-operation course by all stock companies writing the plate glass line in Greater New York.

#### Much Lost Motion Seen

It has long been felt that with the two organizations operating independently, and in part each with a separate membership, there was considerable lost motion, more or less inefficiency and to a degree a duplication of expense, all of which factors could be eliminated if the activities of the two bodies were consolidated, their scope of work modernized and the services of a skilled plate glass underwriter, who was at the same time a strong executive, secured as general manager. Assuming that the plan tentatively put forward and to be threshed out at the conference be agreed upon, search would then be made for a man capable of heading the enlarged body.

#### Scope May Be Extended

Eventually, if the proposed program were inaugurated and proved successful in Greater New York, the authority of the general manager might be extended to cover the entire country, local organizations being established in Philadelphia, Boston, Detroit, Chicago and other cities where the volume of plate glass premiums justifies such expense. As now constituted the Plate Glass Insurance Exchange is supposed to make and check rates under schedules supplied by the Survey Bureau. To a degree this result has been attained but only in part, such offices as are not members of the exchange preparing their own rates, while some of the member companies are reputed to have justified ignoring the tariffs on the ground that they were forced to do so in order to meet competition.

#### Function of Survey Bureau

The Survey Bureau, employing some 20 or more inspectors, confines its activities to the measuring of lights, furnishing a copy of the survey to the particular office applying for it, but to no other; not even retaining a duplicate for its own files; with the result that when a second call comes in for the same risk the work has to be done over again.

Obviously this uneconomic method of operating has not commended itself to companies generally, all of whom, be it said in passing, appreciate the excellence of the surveys furnished. It is their contention that a lot of waste effort and considerable expense could be saved if all members of the bureau were supplied a copy of each survey together

(CONTINUED ON LAST PAGE)

## Will Conduct Hearings on Big Risk Expense Loading

COMMISSIONERS INTERESTED

Workmen's Compensation Committee  
Will Sit Prior to the General Meeting in December

NEW YORK, Nov. 12.—Arrangements are being made by the workmen's compensation committee of the National Convention of Insurance Commissioners for a hearing on the expense loading on large risks. The chairman is Commissioner Brown of Minnesota. The hearing will probably be held in New York just prior to the December session of the convention.

Indications are that several interests will have plenty to say at the hearing. It is understood the mutual companies are not very well pleased at the adoption of the plan for the rating organization to promulgate only net rates, leaving the two elements to add their own expense loadings. The local agents have shown an inclination to get excited about what they consider the entering wedge for wholesale insurance.

#### Agents Fear Spread

It is taken for granted that when the stock companies add their loadings to the net rates provision will be made only for limited commissions on the larger risks. The agents are not so much concerned over this action in compensation, as they are afraid that the movement may spread to the fire line. Few agents are now controlling large compensation risks. It is said that the largest risks are practically all self-insurers on compensation. Many of the other large risks have gone into the mutuals. With the loading for acquisition cost reduced, the agents might recover some of the compensation risks that they have lost to the mutuals or that have become self-insurers. If the wholesale insurance plan should extend to fire insurance, however, the agents might lose on that line far more than they could gain on compensation.

#### Would Lose Two Advantages

The mutuals would lose two advantages, one actual and one a selling argument. Reducing the rates on large risks by reducing the acquisition cost would reduce the advantage the mutuals are now able to show through their dividends. The other advantage is that they will not be able to point directly to their dividends as a saving from the stock company rate. With both classes of companies using the same rate the dividends can be pointed to as clear cut savings. With a graded acquisition cost the mutual dividend can be answered by the fact that they charge a higher rate.

Although the plan of each class promulgating its own acquisition cost has been adopted it is likely to be a big topic before the convention meeting in New York in December. Committees of the local agents are holding sessions but apparently are not fully agreed on the attitude to be taken.

### Michigan Radio Is Used

LANSING, MICH., Nov. 12.—Representatives of the casualty companies have high hopes for the effect on the crime hazard of the recent adoption, on a state-wide basis, of radio in police work. The state has installed a powerful broadcasting plant at the East Lansing state police barracks and is now in constant contact with every sheriff's department in the state, many city police departments, and a number of high-powered scout cars manned by the state police.

### Actuarial Society Meets Nov. 21

The Casualty Actuarial Society will hold its annual meeting in New York Nov. 21.

## Tells of Training



B. H. GROVES

B. H. Groves, assistant manager of the Travelers in Chicago, told the Accident & Health Managers Club of Chicago of that company's methods of securing and training new agents.

### Expect McKee to Continue

NEW YORK, Nov. 12.—Although the time limit fixed for stockholders of the Detroit Fidelity & Surety favoring the exchange of shares proposition submitted by interests representing the Lloyds Casualty of this city has not been reached, confidence is expressed by sponsors of the movement of its completion. Until the deal is effected no action will be taken regarding the officers and employees of that company. The present assumption is however that President Homer H. McKee of the Detroit Fidelity & Surety will continue in that office.

### Plan Regional Meeting

NEW YORK, Nov. 12.—A regional conference of branch managers of the American Surety and of its ally, the New York Casualty, will be held at Denver, Nov. 14. Representatives of the two companies from Utah, Nebraska, Missouri and Colorado are expected to attend. Home office officials attending will be Vice-presidents W. E. McKell, B. J. McGinn and A. E. Cotterell, together with W. McInnes, manager of the automobile division.

### Zemek Goes to Pacific Coast

M. J. Zemek, assistant secretary National Union Indemnity, has been transferred to the San Francisco office to assume supervision of the activities in California. He has been an employee of the company for a number of years, having previously been assistant manager of the Cook county department at Chicago and transferred to the home office at Pittsburgh in February.

### Opens Philadelphia Office

The United Casualty has opened an office in the Commonwealth building in Philadelphia and placed Walter Schwartz, well known in Philadelphia, in charge.

### New Bureau Members

The Firemans Fund Indemnity and the Occidental Indemnity, both of San Francisco, have been admitted to membership in the National Bureau of Casualty & Surety Underwriters.

Moore, Foster & Burwell, Scranton, Pa., have been appointed general agents of the Ocean Accident.

## Vicious Threat in Opportunism

F. Robertson Jones Sounds Warning at North Carolina  
Insurance Day

### LEADS TO STATE FUNDS

Danger of Subordinating Everything to  
Selfish Interest Illustrated by  
Compensation

Insurance, particularly workmen's compensation, is seriously threatened by opportunists, who, consulting only selfish expediency, sacrifice principle and are loading compensation laws with every conceivable burden in the way of unreasonable and illogical provisions, F. Robertson Jones, general manager Association of Casualty & Surety Executives, New York, stated at North Carolina Insurance Day in Greensboro.

He said insurance has far more to fear from opportunists than from theorists. "The misguided are not so poisonous as are the selfishly-guided," he said.

#### Sees Dangerous Trend

Mr. Jones said such men would turn compensation statutes into general accident and health laws, placing on industry the burden of responsibility for vices, bad habits, improvidence and other misfortunes for which, Mr. Jones said, there should be only personal responsibility.

"Those of them that take direct action," Mr. Jones said, "seek the enactment of all lines of so-called 'social service' legislation: health insurance, unemployment insurance, old age pensions, widow's and orphan's insurance, minimum wages, maternity benefits, etc.—generally through the media of monopolistic state insurance funds, and all ultimately at a crushing expense imposed vicariously upon the industrious and self-provident.

#### Cites 18 State Funds

"The time has come to cease indulging in generalities regarding these opportunists in business; for it is no longer a theory that confronts us, but a disheartening reality. The statutes of our states show as accomplished facts the handiwork of these short-sighted men of the business world. Take the one case of workmen's compensation insurance funds. Although 27 states (including the District of Columbia) and four territorial governments have compensation laws with no state insurance funds, yet seven states have monopolistic and ten states and one territory competitive state funds.

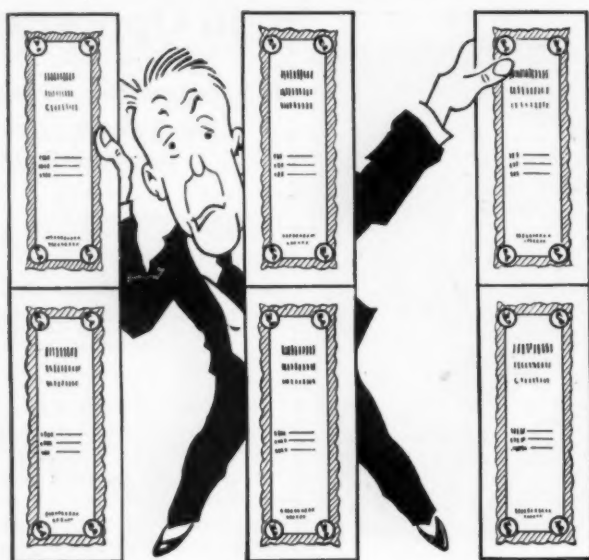
"Now how did those state funds get upon the statute books? In nearly every instance they are there through the active support and often even through the initiative of employers who saw or fancied they saw a selfish immediate advantage either through a promise of lower insurance rates, through the shifting of a part of the burden of the cost of the extra-hazardous character of their business upon other employers engaged in less hazardous industries, or by imposing a part of their burdens upon the general public through taxation for the cost of the management of the state compensation insurance fund.

#### Many Kinds of Funds

"Moreover there are state funds for other lines of insurance than compensation which would never have been established had they been consistently opposed by those engaged in private business.

(CONTINUED ON LAST PAGE)





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EDWARD T. HARRISON  
President



## Receiver May Be Appointed

**Illinois Department Has Action Filed Against the Columbia Casualty Underwriters, a Chicago Reciprocal**

At the instance of the Illinois insurance department, action has been brought in the circuit court at Chicago for a receiver for the Columbia Casualty Underwriters of Chicago, an automobile reciprocal. The concern has not been taken over by the state liquidation bureau inasmuch as the reciprocal has been ordered to substitute some securities of unquestionable value for stocks that it holds whose worth is questioned by the department. Attorney W. J. La Velle of the Columbia Casualty declares that because of the failure to replace these stocks, receivership action was taken.

Its last statement showed that it owns stocks of \$13,600 and bonds of \$27,757. Attorney La Velle stated that steps would be taken at once to replace the objectionable stocks and he thinks that the receivership can be avoided. Its assets Dec. 31 were \$53,453. W. J. Schmoll & Co. are general agents.

## Auto Deaths Reach 26,000 in 10 Months This Year

Automobiles have killed more than 26,000 persons in this country in ten months, it is indicated by reports received by the Travelers from motor vehicle commissioners and directors of vital statistics. This is more than 5 percent in excess of the corresponding period last year. The actual indicated increase is nearly 1,300 in the ten-month period.

Among states which have reported motor vehicle deaths so far this year, 11 show decreases ranging from less than 1 percent in Alabama to more than 25 percent in Nevada. Rhode Island and Montana also show decreases in excess of 20 percent, while Connecticut's decrease is more than 18 percent.

Of the states showing increases, 17 report an increase in number of fatalities in excess of the average indicated for the 10 months. Arkansas, Iowa, Kansas, Kentucky, Minnesota, Mississippi, New Mexico, Ohio, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin report increases more than twice as great as the average.

## Missouri Increase Filed

A new schedule of workmen's compensation rates to become effective Dec. 31, if approved by Superintendent Thompson was filed with the Missouri department Nov. 10 by the National Council on Compensation Insurance. The proposed rates would affect both stock and non-stock carriers. Estimated average increase would result for 6 percent on stock and 5.7 percent for non-stock, plus \$10 "expense constant" to be added to each policy regardless of size. Department experts estimate the increase under the new rates would be 10.7 to 11 percent, or approximately \$750,000 a year. Superintendent Thompson is expected to hold hearings before Dec. 31 to determine whether the increases are justified by the companies' experience in Missouri.

## Chrysler Line Goes to Mutuals

(CONTINUED FROM PAGE 3)

ries weight and influence. No large corporation is in the habit of allowing its name to be used for advertising purposes unless it gives its approval. When a corporation places its insurance, it is nobody's business where it has been placed or in what companies. It is a private business transaction. If the companies carrying the insurance broadcast the fact that they have written it, and the conditions under which they

## Crime Inflicts 12 Million Loss Annually on Banks

Crime has inflicted a direct loss upon banking averaging \$12,000,000 annually during the last 12 years, according to J. E. Baum, deputy manager of the American Bankers Association in charge of the protective department. Of this amount embezzling accounted for not less than \$7,000,000 and forgery another \$1,000,000. According to Mr. Baum the losses from hold-up amounted to less than \$2,000,000 or one-sixth of the annual crime bill against banking.

Losses from bank burglary average slightly more than 3 percent of the total or \$400,000 annually. Mr. Baum gave these figures before the Tri-State Better Bank Management Conference at Minneapolis last week.

have written it, then it would seem the corporation had either given its approval or did not care whether its name were being used for advertising purposes or not. So long as the Chrysler Corporation does not put a stop to the letters being written, our conclusion is that it is, in effect, lending its support and its strength and influence to the cause of mutual insurance as against stock insurance. This fact should be known to stock fire insurance men generally."

One of the important members of the National Association of Insurance Agents made this statement: "It would almost seem as if the Chrysler Corporation wants to start a fight with the stock insurance interests. This whole thing reminds me of the time some years ago when the Chrysler Corporation commenced to issue insurance on the new cars it sold on the deferred payment plan, ignoring the local agents entirely and issuing its policies direct to the insured with a bill of sale through the Palmetto Fire, a small company then operating in South Carolina. You will recall what a storm of protest went up from the organized local agents when they saw a big corporation going into the wholesale insurance business right over the heads of the agents. The feeling at that time was so strong that the Chrysler Corporation found it advisable to abandon the plan it had evolved for the sale of automobile insurance through its local dealers. This latest action is not going to make the vast army of stock company officials and agents have a more friendly feeling toward the Chrysler organization."

An executive interested in the Chrysler line said: "All indications seem to point to the fact that the Chrysler Corporation is wittingly or unwittingly lending itself to the advertising propaganda of the mutuals. Knowing what I do about the form and rate at which the business was written, but particularly the form, I fail to see where there is any profit in it. If the mutuals had simply written the business but could not advertise the fact, there would be no advantage in it to them as I see it; but it is a fact that they are apparently able to broadcast the story with what certainly would appear to be the consent of the Chrysler Corporation that makes the transaction of greater value to them."

## Records Large Increases

The Cook county department of the Travelers has hung up an unusually fine record this year, standing about 35 percent ahead in paid for life business, 32 percent ahead of the same period last year on issued new accident business and about 200 percent ahead on paid for group. There also has been a substantial increase in new agency organization. These percentages include figures for the five branches and eight general agencies.

# PREJUDICES

IT HAS been said by Addison that it is the work of a philosopher to be every day laying aside prejudices. Today, it is also the work of the good business man. Unfortunate is the Insurance Company whose Underwriting Departments are hidebound by rule of thumb regulations which have a tendency to narrow vision and incite or develop prejudices—

... for Prejudices are our most costly possession!

Reasoning against a prejudice is like fighting against a shadow: it exhausts the reasoner without visibly affecting the prejudice. Every Insurance Agent has had the experience sometime or other of taking up arms against Home-office prejudices. It is usually a pretty discouraging business.

Argument cannot do the work of right thinking any more than plows can take the place of sunlight. Hard and fast rules in matters of underwriting only serve to hinder or prevent the proper application of that ability, knowledge and judgment so essential to the successful underwriter.

Our constant aim is to keep our Underwriting Departments free of prejudices. We feel that such a policy is the basis for the satisfactory relationship which exists between our Field Friends and our executive force.

And it seems to us that it is important to every insurance man to select the Company he is to represent with the same care he would use in making any important affiliation. Only such a company—it seems to us—whose integrity is beyond question, not necessarily the largest, but strong enough financially to meet any demands made upon it, who has an aggressive and progressive agency-policy, and whose Underwriting Departments are free from prejudices, should command consideration.

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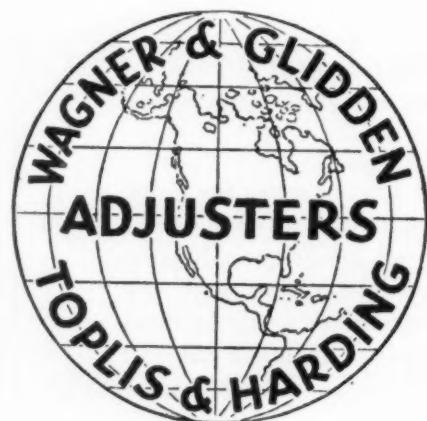
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## CHANGES IN CASUALTY FIELD

### Anderson Is General Agent

**Takes Chicago F. & C. at Memphis for Three States—MacDonald Assists in Organization**

Ralph Anderson of Memphis has taken the general agency for the Chicago Fidelity & Casualty of the Darby A. Day fleet for Tennessee, Arkansas and Missouri and has established offices at 808 Derron building. Mr. Anderson has associated with him J. C. Blanton, well known insurance man of Memphis, and C. R. Weir, who has heretofore been general agent for the Continental Indemnity of the same group, and has a very broad acquaintance throughout the territory.

W. T. MacDonald, special field representative of the home office of the Chicago F. & C., is in Memphis indefinitely assisting Mr. Anderson in completing his agency organization.

Mr. MacDonald is one of the best known insurance men in the middle west and has had diversified experience with the Zurich, Travelers, Commonwealth Casualty and other companies.

He is well versed in underwriting and production of all casualty lines.

### Detroit Changes Announced

G. A. Johnson, who has been field representative of the New Amsterdam Casualty Detroit branch, has resigned to join the casualty underwriting department of the Home Agency, under Vice-president Frank R. Chapman. The Home Agency is a subsidiary of the Briggs Commercial & Investment Company.

George R. Loree, former special agent for the Indemnity of North America in Detroit, succeeds Mr. Johnson with the New Amsterdam Casualty.

### Runner Is Seattle Manager

J. L. Runner has been named as manager of the Globe Indemnity in Seattle, Wash. He was formerly with the Phoenix Indemnity there.

### Named Arizona Claim Superintendent

United States Fidelity & Guaranty has appointed David L. Gogerty superintendent of claims in Arizona, with Phoenix headquarters, operating under supervision of the Los Angeles Office.

## WORKMEN'S COMPENSATION

### Missouri Fight Is Not Ended

**Proponents of Compensation State Fund, Beaten at Polls, Plan Appeal to Legislature**

ST. LOUIS, Nov. 12.—Despite the fact that Proposition No. 4, providing for state-fund workmen's compensation insurance, was overwhelmingly defeated at the general election, the proponents of this form of insurance are planning to carry their fight to the legislature when it convenes in January.

An editorial in the St. Louis "Post-Dispatch," which was prominent in the fight for state-fund insurance, after attacking the insurance interests for their activity in the campaign says:

"The defeat of Proposition No. 4 by no means ends the fight. It was only the first act. There will be sessions of the legislature and other elections at which this worthy proposal can be discussed. The people will meanwhile continue to learn more about the merits of the plan and the unfair practices which have driven so many other states to this reform."

The proposition was defeated by a vote of close to 3 to 1. It didn't carry a ward in St. Louis and very few precincts, and probably failed to carry a single county, although in a few the results were close.

### Tells Value of Following Standards That Are Uniform

BALTIMORE, MD., Nov. 12.—At least 1,000 deaths, 125,000 injuries, and a money loss of \$40,000,000 is the annual toll exacted because of needless disagreements in the industrial safety regulations of the various states. This statement was made by Cyril Ainsworth, safety engineer of the American Standards Association of New York, and former director of the bureau of industrial standards, Pennsylvania department of labor, in an address here.

The states which prepare their own local safety regulations instead of agreeing on national safety codes place an obstacle in the way of effective guarding of industrial machines by manufacturers of the machines, Mr. Ainsworth declared. Adherence by the states to

national industrial safety codes, he said, would inevitably be followed by better mechanical guarding of hazardous machines and a substantial reduction in the yearly industrial accident toll, which at present amounts to 25,000 deaths, 3,000,000 injuries, and approximately \$1,000,000,000 in money loss to workers and employers.

### Mine Disaster Costs \$750,000

COLUMBUS, O., Nov. 12.—The mine disaster at Millfield, O., last week, which cost upwards of 100 lives, will cost Ohio approximately \$750,000 in workmen's compensation, according to estimates made by state officials. The maximum death award under the compensation act is \$6,500. More will have to be paid for funeral bills and hospital expenses and injury awards.

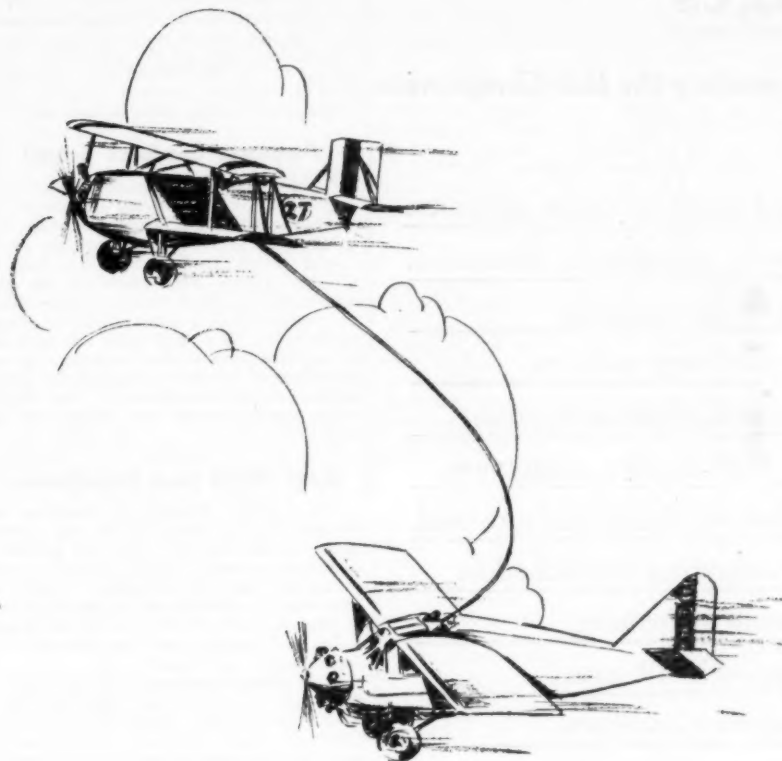
## Accident-Health Field News

### Gibraltar Plans to Expand

**Denver Company Is Now Arranging to Take Over the Continental Mutual's Business**

DENVER, Nov. 12.—The Gibraltar Life & Accident, which was licensed to write life, health and accident insurance in Colorado in September, is planning to apply for admission to a half dozen neighboring states where agency organizations will be developed, according to S. Lester Guinn, president. On qualifying with the insurance department letters of congratulation were received by Mr. Guinn from Governor W. H. Adams, Mayor B. F. Stapleton and many prominent business leaders.

The new company will begin actual operations Jan. 1, when it will reinsure all the outstanding health and accident insurance of the Continental Mutual which has been built up by Mr. Guinn and his associates. A meeting of the policyholders of the Continental has been called for Nov. 22 to approve the change. The new company will take over the policyholders from its predecessor, with an annual premium income of \$100,000. Operation of the life end of



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the business will be deferred a few months.

The capital stock of the Gibraltar Life & Accident is fully subscribed and paid in, and is held by the Gibraltar Life & Accident Underwriting Co., whose assets total \$400,000.

Other officers of the Gibraltar Life & Accident are: W. H. Watlington, chairman of the board and actuary; W. J. McGettigan and J. W. Sherman, vice-president; N. B. McBroom, secretary; Paul J. Connor, medical director, and Francis J. Knauss, general counsel.

#### Ferguson Conducts School

E. H. Ferguson, manager of the Chicago office of the Midland Casualty, has been conducting a school for new agents, using the accident and health short course put out by THE NATIONAL UNDERWRITER. There were about 20 in the class, most of them clerks in fire insurance offices and others with no selling experience. They sold about 100 policies in connection with the training course, including 65 of the company's \$5 automobile accident policies in one week when special stress was being put on that form.

#### Reed Heads New Department

The Fidelity Health & Accident of Benton Harbor, Mich., is issuing a new policy known as the "mail-pay special," a monthly payment policy which is sold by agents but all collections made by mail, and has established a branch office at 506 South Wabash avenue, Chicago, which will handle the business of this department exclusively.

A. H. Reed is manager of the department and W. T. Parker agency supervisor. Both were formerly with the Great Northern Casualty of Chicago, prior to its reinsurance by the United of that city, and for a time were with that company following the consolidation. Illinois and Indiana are now being developed by the new department, which expects to extend its operations to all the states in which the Fidelity is entered as rapidly as possible.

#### McGoodwin Leaves Capitol Mutual

W. E. McGoodwin has disposed of his stock and has resigned as president of the Capitol Mutual Casualty of Columbus, O. Percy Tetlow has been chosen president to succeed Mr. McGoodwin.

Dr. H. H. Snively has been named vice-president; Roscoe R. Walcutt, secretary, and Percy Tetlow, Jr., treasurer. S. Ewing Slupe is manager. It is understood that Mr. McGoodwin will engage in the life insurance business in Iowa.

#### Pacific Mutual Claim Changes

J. Beach Rhoades has been appointed assistant superintendent of claims of the Pacific Mutual Life. He has been in the home office as claim representative since March, 1917, having been engaged in claim work in Chicago for another company prior to that time. For several years he has had supervision of much of the company's claim work, particularly under its non-cancellable policies.

Ray G. Scofield has been made supervisor of claim zones. He has been with the company since 1914, attached to the Chicago office until 1920, when he went to the home office.

#### Interstate Life & Accident Meeting

The Interstate Life & Accident of Chattanooga, Tenn., held its agency meeting at Biloxi last week. President J. W. Johnson, Vice-President J. W. Blevins, Secretary J. R. Leal and other officials and heads of departments were present.

#### Ring to Address Claim Men

BOSTON, Nov. 12.—Irving T. F. Ring, head of the legal department of the State Mutual Life of Worcester, will address the Boston Life & Accident Claim Association at its monthly meeting Nov. 14.

#### Drury Becomes a Broker

Donald A. Drury, general agent of the Massachusetts Accident in Chicago, has resigned to devote himself to personal production as a broker. He maintains his old office in room A-828 Insurance Exchange.

#### Beaupre Takes Schmidt Agency

The office of the Abraham Lincoln Life at 20 East Jackson boulevard, Chicago, formerly supervised by the late Fred Schmidt, is now in charge of A. Y. Beaupre, district manager. Mr. Beaupre has had about 15 years of insurance experience, the greater part of it with the Washington Fidelity National.

## FIDELITY AND SURETY NEWS

### Shortages Arouse Virginians

#### Governor Promises Action on County Treasurers' Mishandling of Funds Following Newspaper Articles

RICHMOND, Nov. 12.—Prompt and drastic action by the next general assembly of Virginia will be recommended by Governor Pollard with a view of correcting evils disclosed by the Richmond "News Leader" in a series of special articles dealing with ever increasing shortages in accounts of Virginia county treasurers, he announces.

Companies writing surety bonds of these officials are deeply interested in the situation because of the fact that some of them have sustained losses mounting high into the thousands as a result of shortages of county treasurers in recent years whose bonds they had written.

Commenting editorially upon the situation, the "News Leader" says that the conditions disclosed by its investigation are the worst that have been brought to light in Virginia in half a century. "Some treasurers," it says, "have been glaringly incompetent to keep the accounts of their office. Others have calmly handled public funds as if they were their own. At least one treasurer has speculated with the people's money.

Some of the indemnity bonds have been found inadequate. Annual settlements have been farcical. Honest men have been tempted to hold out tax tickets to save politicians and influential landowners from the penalty imposed for non-payment by a designated date. Ten county treasurers have been short \$788,000 in a little more than three years. Two of them have committed suicide. Certain others have been ruined. Several of the counties of Virginia are financially embarrassed today because they have never been able to collect fully on defaulting treasurers' bonds. Yet not one of these treasurers—most of them powerful politicians—have yet seen the inside of a jail. In one extreme case where the court of appeals denounced the defalcation and the county was unable to collect, the treasurer was rewarded by being elected to the board of supervisors."

### Can Get Average Prices in Quotations on Securities

NEW YORK, Nov. 12.—All companies authorized to write bonds for the federal government are required to file financial statements at quarterly intervals in order to determine the amount acceptable under any individual bond. The assistant secretary of the treasury

states that companies reporting as of Sept. 30 may arrive at the average rate on their securities by adding quotations as of Dec. 31, 1929, March 31, June 30, Sept. 30, and divide the sum by four instead of using the market quotations as of Sept. 30, provided that where the market is higher than such average rate, then the market or average, whichever is higher, may be used. This may be used only after securities purchased prior to Jan. 1, 1930. At the end of the year quotations may be taken, plus the prices listed on Dec. 31 and divide by five.

### Grand Central Investigated

Judge J. H. Lyle of the Chicago municipal court is investigating the supplying of bonds in criminal cases by the Grand Central Surety of New York, which has furnished bonds for many "public enemies," including Frank Rio, Frank Nitti and Leo Mongovern. W. Rothman, Chicago manager of the Grand Central Surety, appeared before the judge. He said that Al Capone has not any stock in the company. The judge ordered Mr. Rothman to produce a record of his company on all criminal bonds. President L. J. Tompkins, New York, has been reported to have ordered the Chicago office to quit writing bonds on the so-called "public enemies" in that city.

### Contemplate No Changes

No changes are contemplated by the Travelers Indemnity in burglary underwriting practices insurance, Vice-President James H. Coburn announces, even though number of burglary losses may increase during the period of temporary business uncertainty. He comments on a newspaper statement implying that many companies are retrenching, and is of the opinion that the present situation affords producers opportunity to increase burglary business.

## NEWS OF THE COMPANIES

### Will Add to Its Structure

**Standard Surety & Casualty Votes to Increase Its Capital to \$1,500,000—Surplus Augmented**

NEW YORK, Nov. 12.—Through the issuance of 2,000 shares of new stock, per share, the capital of the Standard Surety & Casualty of this city, will be increased from its present figure of \$1,300,000 to \$1,500,000 and \$320,000 added to net surplus account. This action is in keeping with the policy of the management to build up its capital structure commensurate with the growth of its business. Within the first 10 months of the year the Standard Surety has written in excess of twice the volume of business secured during the same period of 1929 and with a satisfactory loss ratio on the whole, attesting that the quality of the risks taken was of a desirable character. Now operating in 43 states and the District of Columbia, the company has a nation-wide chain of service offices, and is equipped to render prompt attention to every need of its policyholders. In administering the affairs of the Standard Surety, President F. G. Morris has profited by his long and valuable training in the casualty underwriting field, and has ever pursued a policy of conservative development.

### Casualty Company Notes

The **United States Guarantee** has been licensed in Montana.

The **American Liability & Surety** of Cincinnati has been licensed in New Jersey.

The **Bankers Indemnity** is now in its new quarters in the American building on Washington street, Newark, occupying the fourth and fifth floors. It was formerly at 31 Clinton street.

### Will Write Casualty Lines

**Detroit Fidelity & Surety Plans Decrease in Capital as Step in That Direction**

DETROIT, Nov. 12.—Stockholders of the Detroit Fidelity & Surety will be asked to approve a decrease in capital to \$1,000,000, giving it combined capital and surplus of \$2,400,000, at a meeting to be called within a few weeks. This is a preliminary move toward beginning the writing of casualty insurance as well as fidelity and surety, which the company has been writing since its organization in 1920.

Last spring the charter was amended to permit the writing of casualty, and since that time it has been admitted for casualty in 26 states. It is now writing fidelity and surety in 40 states. Commissioner Livingston has approved the company's petition for decrease in capital.

### No Merger Is Planned

The addition of casualty will make the Detroit F. & S. contract more attractive to the agents and the alliance with the Lloyds Casualty fleet, which is virtually certain to take place immediately after Nov. 15, will do still more to assist the company in perfecting its agency organization.

The alliance with the Lloyds group is not a merger, but is simply the acquiring of a controlling stock interest in the Detroit company. The Detroit F. & S. will retain its identity and will continue to function as at present despite the change. Frank Cohen, executive vice-president of the Lloyds Casualty, Cosmopolitan Fire and Federal Surety, was elected to the board of the Detroit F. & S., together with three other men nomi-

nated by Lloyds interests, but was not elected executive vice-president of the Detroit company, as was reported.

### Transportation Is Extending

NEW YORK, Nov. 12.—Crum & Forster, who purchased control of the Transportation Indemnity some time ago, have since been developing it along conservative lines, mainly throughout New York, New Jersey and Pennsylvania, intending to extend activities to additional states later on as opportunity for desirable field connections offers. While the company writes general liability, the various forms of automobile liability, burglary and plate glass lines, emphasis is laid upon automobile business, the Transportation Indemnity issuing a liberal general cover policy in connection with its affiliated fire offices. With a cash capital of \$1,000,000, the net surplus on June 30 last was \$1,006,000.

### Licensed in Eight States

The Fireman's Fund Indemnity has been licensed for casualty and surety business in New Jersey, Maryland, Connecticut, Vermont, Minnesota, Kansas, California, New York and Indiana. It has also been licensed by the United States Treasury Department for surety bonds. In Oregon it is licensed for casualty business.

### International Reinsurance

The International Reinsurance gross income from all sources in October of \$590,000, as against \$348,000 in the same month last year, an increase of \$242,000, or nearly 70 percent. Net income in excess of disbursements for the month ended Oct. 31 the gross net income from all sources was \$5,257,000, as against \$2,791,000 for the corresponding period of last year, a gain of \$2,466,000, or 88 percent.

The **New Century Casualty** of Chicago has been admitted to Indiana.

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## CASUALTY PERSONALS

**E. M. Griffin**, who has joined the field staff of the Car & General as its Michigan representative for all lines, has been at the United States headquarters in New York City, for the past few days, conferring with General Agent R. E. Stevens and other officers regarding underwriting and general managerial policies. Mr. Griffin's insurance experience dates from 1918 when he joined the engineering staff of the Travelers at Chicago, subsequently associating with the Royal Indemnity, for which he was district director of safety at Detroit for several years. Widely known and well regarded by the agency fraternity throughout Michigan, Mr. Griffin will successfully organize the territory.

**W. L. Andre**, president of the Andre Securities Company, general agent of the Massachusetts Bonding at Spokane, Wash., celebrated his birth month in October. The Andre Securities Company in October was the largest producer in the accident and health department for the Massachusetts Bonding in the United States. October makes the second successive month this honor has been won by this pioneer accident and health general agency, which operates in eastern Washington, Idaho and Montana.

Last Thursday was **J. Scofield Rowe's** birthday, a fact which was attested by the large vase of flowers on his desk in the Firemen's building in Newark where he presides as vice-president of the Metropolitan Casualty. However, just which birthday it was Mr. Rowe was disinclined to say, although he might have stated if sufficiently pressed.

Mr. Rowe has had one of the most interesting careers of any of the casualty executives. He is one of the pioneers of casualty insurance and particularly in the days when he was executive vice-president of the casualty branch of the Aetna Casualty and when compensation was coming in he took his part as a dynamic and forceful leader. Mr. Rowe heads one of the casualty companies of the Neal Bassett group while W. Van

Winkle heads the other, the Commercial.

It is interesting to note that in the great Firemen's building, occupied entirely by that group, which has over 1,500 home office employees, approximately 40 percent of the space is occupied by the two casualty companies.

**C. E. Rickerd**, advertising manager of the Standard Accident, described the five-year advertising program of the company, which has won 22 national prizes, 13 of them the past year, before the Adcraft Club of Detroit. He supplemented his address by an elaborate exhibit of the different forms of advertising being created in the Standard office.

**Ralph O. Wood**, assistant superintendent of the accident department of the Zurich in the head office in Chicago, was married Nov. 8 to Miss Bertha Fletcher, daughter of Mr. and Mrs. R. W. Fletcher of Chicago. Don V. Wood, a younger brother who is in the office of the North America at Chicago, was usher. The honeymoon was spent at Indianapolis.

The New York chapter of the National Association of Cost Accountants was addressed Tuesday night by **J. A. Beha**, general manager National Bureau of Casualty & Surety Underwriters. His subject was "Accounting Information Required for Proper Insurance Coverage." The address covered the various forms of necessary coverage and the practical method of conducting an insurance survey for industrial concerns. Special stress was given to the accounting setup necessary to provide a proper basis for coverage in all kinds of fire and casualty insurance.

**Bert L. Dowell**, Pacific Coast vice-president Lloyds Casualty, is on a trip to New York. He will stop in St. Louis and Chicago as well as at the home office of the Federal Surety at Davenport, Ia., of which he is also vice-president.

### Better Feeling Is in Evidence

(CONTINUED ON PAGE 37)

sented by R. J. Sullivan, Travelers; E. J. Bond, Jr., Maryland Casualty; C. B. Morcom, Aetna Casualty; F. J. O'Neill, Royal Indemnity, and Kenneth Spencer, Globe Indemnity.

The position of the National Association of Casualty & Surety Agents was set forth by W. G. Wilson, Cleveland; T. E. Braniff, Oklahoma City; J. W. Henry, Pittsburgh, and J. T. Harrison, New York.

In addition to Mr. Harrington, the National Association of Insurance Agents was represented by W. B. Calhoun, Milwaukee; T. C. Moffatt, Newark; Frank L. Gardner, Poughkeepsie; George W. Carter, Detroit; J. S. Pearce, Tulsa; T. L. Rodgers, Little Falls, N. Y.; Albert Dodge, Buffalo; Fred G. Noxsel, Buffalo, and W. H. Bennett, secretary of the organization.

### Contract Bond Rate Issue Up

(CONTINUED FROM PAGE 37)

of lies not with rate reductions, but with a curtailment of the commission allowed. He holds that practically 95 percent of the contract bonds now issued cover on public work, whether federal, state or municipal, and their securing is mandatory under the law. No salesmanship is required in order to get the business. Because of the political aspect of the

line, and the 30 percent allowed thereon, the business is handled in very large degree by politicians, or by agents with close political affiliations. The surety companies without representatives of a political or semi-political pull, get scant pickings so far as contract bond business is concerned, and the legitimate agent, dependent for clients upon his knowledge of the business and his ability and willingness to render service to the assured, seldom has a look-in on the contract bond line. If therefore, according to this official the going rate of 30 percent commission were cut to one-half or one-third that figure, the business would not be nearly so appealing to the politically minded and would gravitate to the responsible agent.

Premiums on contract bonds not infrequently run into high figures and many agents, now virtually barred from getting such business would be very glad to take a cut in the commission rate, if it meant that thereby the political element in the ranks were eliminated. How well the idea would be received by agents as a whole, however, is a question. The suggestion that a graded scale of commissions be adopted with respect to workmen's compensation business, is now under review by the casualty companies. It may be that if an accord between the companies and the producers be reached thereon the same general plan might be extended to the contract bond field and for the same basic reason; namely, that any reduction in existing premium rates would broaden the opportunity for the agents generally to line up a class of risks now largely beyond their reach.

## Compensation Cost Issue Is Reviewed by Bennett

(CONTINUED FROM PAGE 37)

is 7.5 percent or 5 percent a proper and sufficient commission to be paid for compensation insurance and secondly, is the theory of graduated commissions on size of risk a sound operating basis for the preservation of the agency system? The company men did not give this modified program as an arbitrary standard but solely for the purpose of getting a basis for discussion.

### Stand of Company Committee

The company committee pointed out the impossibility of continuing this line at a regular, annual recurrence of loss mounting into the millions. There was obvious necessity of either eliminating some expense factors or increasing the rates. Attention was given to the possibility of cutting down expense factors other than acquisition cost, but Mr. Bennett says from the revealed facts and practical necessity of operation, the company committee held this to be impossible. The agents declared the modified program was not acceptable. It assumes that the service of the agent reduces in inverse ratio to the size of the risk when the agents declare the contrary is true.

### Objections by the Agents

Mr. Bennett then gives the following objections on the part of the agent:

The program assumes that the service of the agency reduces in inverse ratio to the size of the risk, when the contrary is true.

It destroys the confidence of the public in the efficacy of the agent and lends color to the charge from without that he is an economic waste and as such should be abolished entirely.

It reverses the age old insurance theory that agents may properly be compensated at a higher level by classification of risks on the more desirable and profitable business, by advocating exactly the opposite theory.

It presents the strange anomaly that producers may be compensated at a higher rate for business admittedly unprofitable and which the companies do not want.

### Would Repudiate Past Services

It calls upon the agents to repudiate past services to clients on the ground that they have not been entitled to past compensation received.

It precipitates into the business for the first time the idea that the producer's commission is the controlling and major factor of insurance costs.

It furnishes an entering wedge with a grave potential danger that a like theory may rapidly spread to all other lines of insurance.

It fails to recognize the known fact

that thousands of small risks are handled by the agent every year at a substantial loss.

It provides no means of every recouping these losses by the law of averages upon which the insurance business is founded.

### Sets Up New Theory

It sets up a new theory and embarks on a new era of wholesale insurance where the more of it one buys the cheaper one gets it.

It raises the issue of discrimination and lays itself open to attack under the anti-discrimination statutes of the several states.

It automatically discounts the experience theory in compensation insurance by injecting the volume factor.

It precipitates an unnecessary controversial question into the business which is already harassed by enough vexing and disturbing factors.

### Will Consult the Producers

At the close of the conference the company committee declared that neither this present modified program or any other affecting the agents would be concluded or put into effect without first calling back the producers for consultation. The National Bureau of Casualty & Surety Underwriters is now proceeding under another setup. It has filed with the New York department a revised schedule made up of the factors heretofore discussed including 17.5 percent acquisition cost on all risks. It carries the 2.5 percent profit and \$10 expense constant. The rates now proposed are substantially 10 percent higher than those heretofore in effect. Approval is asked in New York effective Jan. 1.

### Comment by Bennett

Mr. Bennett says:

"It is to be remembered that the losses on compensation insurance over a seven year period have been set down at 9.4 percent. So a 10 percent increase in rates should overcome all losses. Then there remains in the new rate asked for a 2.5 percent underwriting profit. As these new rates come up for consideration in the respective states, inquiry may be made as to the accuracy of the several items of expense loading (other than acquisition cost, taxes and profit.) If so these are actuarial questions and the burden must rest on the National Bureau and its eminent actuaries. We understand the bureau expects to assume this burden. On the question of a profit on sociological insurance, honest men may honestly differ. There are two distinct schools of thought and each is entitled to respectful consideration.

"The restoration of the full 17.5 percent acquisition cost on all risks places on the producers and field supervisors a responsibility for complete justification of 17½ cents out of each dollar of premium, for services rendered. The worthwhile, competent and qualified agent should have no trouble meeting this demand."

### O'Connor Makes Change

John H. O'Connor assumes charge of the fidelity and surety department in the Chicago branch of the Central West Casualty Nov. 15. He will have associated with him as secretary Miss Myrtle Forsberg, who has had wide experience in these lines.

Mr. O'Connor from 1912 to 1914 was claims attorney of the Title Guaranty & Surety of Scranton, Pa., and also secretary of the Badgerow Company, general agents of that company. Since 1914, Mr. O'Connor has been a member of the Rockwood Company, Chicago, and has looked after the fidelity and surety interests of that firm. Mr. O'Connor succeeds G. O. Foy, of the Chicago branch office Central West Casualty who has resigned as of Dec. 1. Miss Forsberg went to Chicago in 1917 as policy writer for the Travelers, Chicago branch. She was advanced to counter work in the burglary and plate glass departments, and since 1923 has been in charge of detail work of the bond department in the Rockwood Company.

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## Plate Glass Men Are to Confer

(CONTINUED FROM PAGE 39)

with the rates prepared and that the bureau check all dailies to see there was no deviation from its figures; in other words, the plate glass men would follow the rating and stamping method of the fire underwriters.

The correction of a further irritating practice it is maintained would be eliminated through the launching of a strongly supported central bureau, defining the exact number and location of the different lights in an assured premises. Some property-owners carry indemnity only upon a percentage of the lights in their respective establishments, all glass of the same dimensions, with resultant confusion at times as to whether the lights broken were those insured or not.

The plate glass premium income from Greater New York is estimated at from \$3,000,000 to \$4,000,000 annually. To justify the creation of a central bureau along the lines now talked of, the support of at least all of the prominent companies writing the business would have to be guaranteed; whether this can be had remains to be seen.

### Chief Outside Companies

The Lloyds Casualty, New Jersey Fidelity & Plate Glass and the Union Indemnity are three strong plate glass writing offices not members of the National Bureau, though subscribing to the service of the exchange and the Survey Bureau. Each is a factor in plate glass circles. It is doubtful if any of the association companies would care to be tied up in a governing organization with any one of the three companies on the outside. As each has been a loyal supporter of the plate glass associations for years, the prevailing impression is that their cooperation in the tentative plan now under review may be counted upon.

## Vicious Threat in Opportunism

(CONTINUED FROM PAGE 39)

ness. In addition to workmen's compensation funds, they include hail, life and title insurance and bank guaranty, public deposits guaranty and public property, torrens title and public official bonding funds. The premium income of these funds (including two types of pensions funds) in the calendar year 1926, was in excess of \$85,000,000. This is the result of the acts or omissions of the opportunists in business. Who can forecast what the figures will be ten years from now, unless business educates its opportunists to an appreciation of the catastrophe that threatens it?

"But opportunism in business does not stop here. Through amendments, right or wrong, the workmen's compensation law is liberalized and its cost is increased. Consequently the compensation premium rates need to be increased to meet the increased cost—the result of the amendments. It is then that the opportunists in business get in their fine work.

### Carriers Are Discredited

"Through every possible means they seek to discredit the insurance companies and to prevent approval of the increased rates or to get them materially scaled down—irrespective of the merits of the case. The result is that the insurance companies are publicly pilloried as profiteers or worse, monopolistic state insurance is given a boost, and the insurance companies are driven one step nearer toward the abandonment to the state of an unprofitable business.

"I have heard rumors that a recommendation for the enactment of a monopolistic state compensation insurance fund might be made to your governor by high public authority. The alleged advantages of the Ohio state fund insurance will be cited. It will be declared that only \$1,500,000 has been paid in compensation out of \$4,000,000 collected in compensation premiums in North Carolina—ignoring the need of reserves to meet deferred payments on incurred liabilities, the cost of the medical benefits, the tax on premiums and the expenses of service.

"The cooperation of all industry in combating radical tendencies was never more needed than it is today and I think the insurance men of this country, and particularly the organized agents, can do more to bring about such cooperation than any other group of men."

The Associated Indemnity has been licensed in Maryland. The R. D. Tweedale Company of Baltimore has been appointed general agent.

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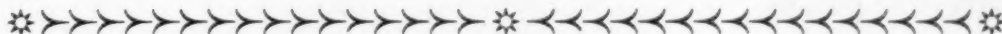
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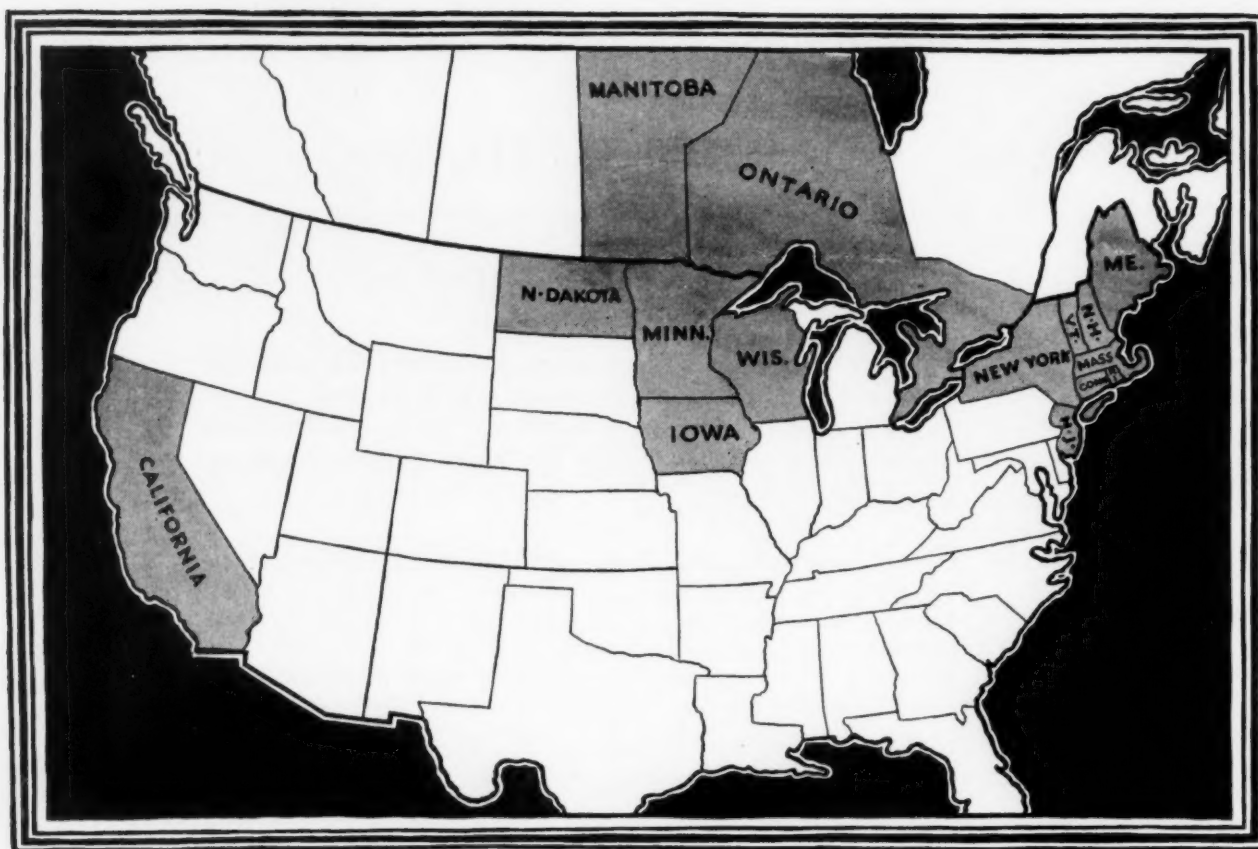
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